California State Auditor

February 2014

Report 2014-406 A

Implementation of State Auditor's Recommendations

Special Report to Assembly Budget Subcommittees

Reports Released in January 2012 Through December 2013

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California State Auditor

Elaine M. Howle State Auditor
Doug Cordiner Chief Deputy

February 13, 2014 2014-406 A

Members of the Assembly Budget Committee
State Capitol
Sacramento, California 95814

Dear Members of the Assembly Budget Committee:

The California State Auditor presents this special report for the legislative budget subcommittees, which summarizes audits and investigations we issued from January 2012 through December 2013. The purpose of this report is to assist the Assembly Budget Committee in identifying issues it may want to explore in subcommittee hearings. It is intended to provide transparency in what actions, if any, audited and investigated entities have taken in response to our specific findings and recommendations. This report includes the major findings and recommendations along with the status of corrective actions the audited and investigated entities reportedly have taken to implement our recommendations. To better assist you, we have highlighted those recommendations that remain not fully implemented.

Our policy requests that entities provide a written response to the audit findings and recommendations before the audit report is issued publicly. As a follow-up, state law requires the entity to provide updates on their implementation of audit recommendations, and we request these updates at 60 days, six months, and one year after the report's public release. For investigations, state law requires state agencies that are the subject of an investigation to provide updates on their implementation of recommendations within 60 days of receiving the report and monthly thereafter until the agency has taken final action. Further, we follow up with every entity that we determine has not fully implemented one or more recommendations within one year of the issuance of an audit or investigative report and request an update on the entity's plans to implement the outstanding recommendations.

This report is organized by recommendations that fall within the jurisdiction of each of the individual Assembly Budget Subcommittees. For example, the section for Assembly Subcommittee 2 on Education Finance identifies recommendations our office made on issues ranging from the proper reporting of campus crimes to migrant education. The section for Assembly Subcommittee 1 on Health and Human Services identifies recommendations on issues such as the timely resolution of child abuse allegations and the implementation of the Mental Health Services Act.

Please note that some reports may involve more than one issue or cross the jurisdictions of more than one subcommittee. In Table 1, we provide the report title, recommendations, and action taken by the entity. A more detailed description of the auditor's assessment of the entity's actions can be accessed on our Web site at www.auditor.ca.gov under the "Publications" tab.

Our audit efforts bring the greatest return when the entity acts upon our findings and recommendations. Table 2 summarizes the monetary value associated with certain findings

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from reports we issued during the period January 1, 2006, through December 31, 2013. We have indicated the nature of the monetary value in the following categories: cost recovery, cost savings, cost avoidance, increased revenue, and wasted funds. We estimate that if entities implemented our recommendations contained in these reports, they could realize more than $1.5 billion in monetary value either by reducing costs, increasing revenues, or avoiding wasteful spending. For example, our April 2013 report on special interest license plate funds found that the Department of Motor Vehicles (Motor Vehicles) has a policy to collect retention fees for special license plates only when the plate owner notifies the department that he or she will again use the special plate on a vehicle. Using Motor Vehicles' unaudited available data and the fees prescribed in statutes, we estimate that, because of this policy, it did not collect retention fees of $12 million during fiscal years 2010–11 and 2011–12. We estimate that by implementing our recommendation to collect retention fees for all special plates retained by plate owners, Motor Vehicles could realize up to $6 million in increased revenue annually.

We believe the State's budget process is a good opportunity for the Legislature to explore these issues in a public forum and, to the extent necessary, reinforce the need for corrective action. If you would like more information or assistance regarding this report, please contact Paul Navarro, Legislative Affairs, at (916) 445-0255.

Respectfully submitted,

Elaine M. Howle

ELAINE M. HOWLE, CPA
State Auditor

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Recommendation Status Summary

Assembly Budget Subcommittee 1: Health and Human Services

Report Number 2011-113

Salinas Valley Memorial Healthcare System: Increased Transparency and Stronger Controls Are Necessary as It Focuses on Improving Its Financial Situation **(March 2012)**

	RECOMMENDATION	STATUS OF RECOMMENDATION	ENTITY
1.	To provide members of the public with opportunities to meaningfully participate in board meetings regarding executive compensation matters, and to hold the board accountable for its decisions on these matters, the Health Care System should develop a formal policy that establishes a process for determining executive compensation, including retirement benefits, that clearly documents all executive compensation decisions.	Fully Implemented	Salinas Valley Memorial Healthcare System
2.	To provide members of the public with opportunities to meaningfully participate in board meetings regarding executive compensation matters, and to hold the board accountable for its decisions on these matters, the Health Care System should clearly indicate compensation matters on the agendas for its board meetings.	Fully Implemented	Salinas Valley Memorial Healthcare System
3.	To provide members of the public with opportunities to meaningfully participate in board meetings regarding executive compensation matters, and to hold the board accountable for its decisions on these matters, the Health Care System should discuss executive compensation matters only in open sessions of board meetings, except in the limited circumstances that allow for discussion in closed sessions.	Fully Implemented	Salinas Valley Memorial Healthcare System
4.	To ensure that the terms of its CEO's employment and compensation are clear, and to aid the board in its oversight role, the Health Care System should engage its next permanent CEO in a written employment contract.	Fully Implemented	Salinas Valley Memorial Healthcare System
5.	To help reduce its operating costs and improve its overall financial situation, the Health Care System should continue to try to modify its employee benefits, such as paid time off, so they are aligned with industry practice.	Not Fully Implemented*	Salinas Valley Memorial Healthcare System
6.	To ensure that the Health Care System, its board members, medical staff, employees, and consultants are engaged only in appropriate business relationships with respect to their economic interests, the Health Care System should engage an independent investigator to review the Health Care System's business relationships with entities that we identified as being economic interests of its board members and executives to determine whether any of the relationships violate applicable legal prohibitions and take appropriate corrective action if they do.	Fully Implemented	Salinas Valley Memorial Healthcare System
7.	To ensure that the Health Care System, its board members, medical staff, employees, and consultants are engaged only in appropriate business relationships with respect to their economic interests, the Health Care System should implement the requirement in its recently updated conflict-of-interest policy that board members, medical staff, employees, and consultants disclose potential conflict-of-interest situations to their supervisors and the ethics and compliance officer, who shall review each situation and make a determination on the appropriate resolution.	Fully Implemented	Salinas Valley Memorial Healthcare System
8.	To ensure that it has an up-to-date, approved conflict-of-interest code, the Health Care System should develop a protocol to file an action through the superior court to adopt a code if, in the future, the board of supervisors does not approve a code within six months of one being submitted to it by the Health Care System and if follow-up efforts with the board of supervisors prove unsuccessful.	Fully Implemented	Salinas Valley Memorial Healthcare System
9.	To help ensure that individuals designated by the Health Care System as needing to file statements of economic interests do so, the Health Care System should amend its conflict-of-interest policy to specify an individual as its filing officer, in accordance with guidelines of the Fair Political Practices Commission.	Fully Implemented	Salinas Valley Memorial Healthcare System
10.	To help ensure that individuals designated by the Health Care System as needing to file statements of economic interests do so, the Health Care System should amend its conflict-of-interest policy to delineate the steps its filing officer should take to ensure that all Health Care System board members, medical staff, employees, and consultants who are required to file statements of economic interests do so.	Fully Implemented	Salinas Valley Memorial Healthcare System

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	RECOMMENDATION	STATUS OF RECOMMENDATION	ENTITY
11.	To help ensure that individuals designated by the Health Care System as needing to file statements of economic interests do so, the Health Care System should amend its conflict-of-interest policy to specify penalties for failure to file.	Fully Implemented	Salinas Valley Memorial Healthcare System
12.	To help ensure the accuracy and completeness of filed statements of economic interests, the Health Care System's filing officer should follow state regulations for reviewing submitted statements, including verifying the cover sheet for completeness for all submitted statements.	Fully Implemented	Salinas Valley Memorial Healthcare System
13.	To ensure that it is not making gifts of public funds, the Health Care System should develop and implement a policy and written procedures to demonstrate how funds it provides to support entities and programs in the community further the Health Care System's public purposes.	Fully Implemented	Salinas Valley Memorial Healthcare System
14.	To help ensure that the Health Care System has the information it needs to comply with state regulations regarding public disclosure of the disposition of event tickets, the Health Care System should develop and implement a policy and written procedures for tracking its distribution of event tickets. The procedures should ensure that the Health Care System follows state requirements for making pertinent public disclosures.	Fully Implemented	Salinas Valley Memorial Healthcare System
15.	To increase the transparency of its processes for awarding contracts that are not required by law to be selected using a competitive process, the Health Care System should require its employees to fully document the steps they take in selecting contractors and to describe how the selections result in the best value to the Health Care System.	Fully Implemented	Salinas Valley Memorial Healthcare System

Report Number 2011-101.2

Los Angeles County Department of Children and Family Services: Management Instability Hampered Efforts to Better Protect Children **(March 2012)**

	RECOMMENDATION	STATUS OF RECOMMENDATION	ENTITY
1.	To ensure that child abuse and neglect allegations receive timely resolution, the department should continue to monitor the status of its backlog of investigations but revise its policies and performance measures to no longer define the backlog as investigations over 60 days old. Rather, it should emphasize completing investigations within 30 days.	Fully Implemented	Los Angeles County Department of Children and Family Services
2.	To ensure that child abuse and neglect allegations receive timely resolution, the department should assess whether it needs to permanently allocate more resources to investigate allegations of child abuse and neglect.	Not Fully Implemented*	Los Angeles County Department of Children and Family Services
3.	To better ensure that inner-city regional offices are staffed by experienced social workers, the department should consider providing social workers with incentives to work in these areas or require them to remain in these offices for a period longer than the one year currently required.	Fully Implemented	Los Angeles County Department of Children and Family Services
4.	To ensure that it is placing children only in safe homes, the department should measure its performance and adjust its practices to adhere to state law, which requires that all homes be assessed prior to the placement of the child.	Will Not Implement	Los Angeles County Department of Children and Family Services
5.	To improve its process for placing children with a relative, the department should analyze the best practices used by other county child welfare services agencies for such placements. The department should then implement changes in its practices so that relatives and their homes are approved prior to placement, as required by state law.	Will Not Implement	Los Angeles County Department of Children and Family Services
6.	To ensure that social workers have as much relevant information as possible when placing children and licensing homes, the department should report requisite allegations of abuse or neglect to the Department of Justice and the Department of Social Services' licensing division.	Fully Implemented	Los Angeles County Department of Children and Family Services
7.	To fully benefit from its death review process, the department should implement the resulting recommendations.	Not Fully Implemented*	Los Angeles County Department of Children and Family Services
8.	To provide effective leadership, the department director should form a stable executive team by filling the chief deputy director, senior deputy director, and other deputy director positions.	Fully Implemented	Los Angeles County Department of Children and Family Services

RECOMMENDATION	STATUS OF RECOMMENDATION	ENTITY
9. To create and communicate its philosophy and plans, the department should complete and implement its strategic plan.	Fully Implemented	Los Angeles County Department of Children and Family Services

Report Number 2012-105

Departments of Public Health and Social Services: Weaknesses in the Administration of the Child Health and Safety Fund and the State Children's Trust Fund Limit Their Effectiveness **(November 2012)**

RECOMMENDATION	STATUS OF RECOMMENDATION	ENTITY
1. To ensure that it does not violate provisions of state law that prohibit contracts for services that state employees can perform, Public Health should establish that it has adequate justification to contract under Section 19130 (b), prior to submitting contracts to the Department of General Services for approval.	Fully Implemented	California Department of Public Health
2. To comply with state contracting laws and policies that protect the State's interest, Public Health should ensure that its staff do not allow contractors to work before the Department of General Services has approved the contracts.	Fully Implemented	California Department of Public Health
3. To comply with state contracting laws and policies that protect the State's interest, Public Health should ensure that its staff do not use service orders to circumvent the State's contracting policies.	Fully Implemented	California Department of Public Health
4. To comply with state contracting laws and policies that protect the State's interest, Public Health should recoup the overpayment made to the San Diego State University Research Foundation, if applicable.	Resolved	California Department of Public Health
5. To determine whether the appropriation to administer the Kids' Plates Program is sufficient, Public Health should continue its plans to evaluate the costs of the regional grants Request for Application process and its monitoring of the awards for fiscal year 2012–13. If Public Health determines that the appropriation is insufficient, it should seek an amendment to state law.	Fully Implemented	California Department of Public Health
6. To comply with the *State Contracting Manual*, if Public Health chooses to use contractors for the Kids' Plates Program, it should direct its staff to substantiate the expenditures contractors claim. For example, Public Health could ask the contractors to submit for review detailed records substantiating all or a sample of their invoices.	Fully Implemented	California Department of Public Health
7. To ensure that it is able to measure its progress toward fulfilling the requirements of the health and safety fund, Public Health should establish performance measurements for the Kids' Plates Program.	Partially Implemented	California Department of Public Health
8. To ensure that it is able to measure its progress toward fulfilling the requirements of the health and safety fund, Public Health should periodically assess its progress toward meeting its measureable outcomes.	Partially Implemented	California Department of Public Health
9. To ensure that the Office of Child Abuse Prevention (office) complies with the *State Contracting Manual*, Social Services should direct the office to substantiate the expenditures that grantees claim. For example, the office could ask the grantees to submit for review detailed records for all or a sample of their invoices.	Fully Implemented	Department of Social Services
10. To ensure that the office complies with the *State Contracting Manual*, Social Services should direct the office to recover the overpayment from the Children's Bureau of Southern California, if applicable.	Fully Implemented	Department of Social Services
11. To ensure that it uses trust fund moneys only for permissible uses, Social Services should direct its internal audits staff to periodically perform reviews of the trust fund expenditures.	Fully Implemented	Department of Social Services
12. To ensure that it uses trust fund moneys only for permissible uses, Social Services should revise its invoicing process to clearly identify the objectives in the scope of work section of its grant agreements and their corresponding funding sources.	Fully Implemented	Department of Social Services

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	RECOMMENDATION	STATUS OF RECOMMENDATION	ENTITY
13.	To ensure compliance with the state law governing the trust fund that allows it to fund research and demonstration projects that explore the nature and incidence of child abuse and the development of long-term solutions to the problem of child abuse, Social Services should establish procedures to ensure that all grants it awards for research and demonstration projects clearly demonstrate a linkage to the trust fund's requirements.	Fully Implemented	Department of Social Services
14.	To ensure that the office complies with the *State Contracting Manual*, Social Services should direct the office to update its guidelines for grant administration to establish a formal process for reviewing the grantees' progress reports and interim products. This process should include documenting the office's review and assessment of whether the grantees meet the goals, objectives, and measurable outcomes in their grant requirements.	Fully Implemented	Department of Social Services
15.	To ensure that the office complies with the *State Contracting Manual*, Social Services should direct the office to retain the documentary evidence of its review and assessment in the grantee files.	Fully Implemented	Department of Social Services
16.	To ensure that its efforts funded by the trust fund are preventing or reducing incidences of child abuse and neglect, Social Services should develop universal performance measurements for the trust fund.	Fully Implemented	Department of Social Services
17.	To ensure that its efforts funded by the trust fund are preventing or reducing incidences of child abuse and neglect, Social Services should ensure that the performance measurements are reflected in the grants it awards.	Partially Implemented	Department of Social Services
18.	To ensure that its efforts funded by the trust fund are preventing or reducing incidences of child abuse and neglect, Social Services should evaluate the performance measurements annually to assess whether the trust fund's programs and services are effective in reducing incidences of child abuse and neglect.	Partially Implemented	Department of Social Services
19.	To ensure compliance with the state law that requires the office to publish certain trust fund information, Social Services should require the office to establish procedures to ensure inclusion on its Web site of all programs and services it funded using the trust fund.	Fully Implemented	Department of Social Services
20.	To ensure compliance with the state law that requires the office to publish certain trust fund information, Social Services should require the office to publish on its Web site the amount in the trust fund as of June 30 each year.	Fully Implemented	Department of Social Services
21.	To improve the presentation of the information it publishes for the trust fund, Social Services should establish a link that separately provides descriptions of the types of programs and services it funds using the trust fund and the target populations that benefit from the programs.	Fully Implemented	Department of Social Services
22.	To improve the presentation of the information it publishes for the trust fund, Social Services should present the amount it disbursed from the trust fund in the prior fiscal year by the amount spent for each program or service.	Fully Implemented	Department of Social Services

Report Number 2012-111

California Department of Public Health: It Needs to Improve Accuracy in Accounting and Charging for Compliance Inspections Designed to Reduce Youth Access to Tobacco and It Could Enhance Its Compliance Inspections **(June 2013)**

	RECOMMENDATION	STATUS OF RECOMMENDATION	ENTITY
1.	To ensure that it can support its labor costs, Public Health should implement a process to accurately track the time its staff spends conducting statewide and local compliance inspections.	Fully Implemented	California Department of Public Health
2.	It should allocate expenses associated with statewide and local compliance inspections to the appropriate funding source, based on the time staff spends conducting those activities, and it should maintain accurate accounting records to reflect actual costs of statewide and local compliance inspections.	Fully Implemented	California Department of Public Health
3.	When Public Health enters into new contracts with local entities to conduct compliance inspections, it should evaluate its historical costs of conducting these inspections to ensure that the existing rates are adequate to recoup its costs. If it determines that the existing rates are not adequate, it should develop a new rate that accurately reflects its true costs.	No Action Taken	California Department of Public Health

RECOMMENDATION	STATUS OF RECOMMENDATION	ENTITY
4. When Public Health enters into new contracts with local entities to conduct compliance inspections, it should ensure that it maintains adequate documented support for the rate it charges for a compliance inspection.	No Action Taken	California Department of Public Health
5. Public Health should amend its recent contract with the city of Los Angeles to correct the rate it charges for a local compliance inspection to reflect its true cost.	No Action Taken	California Department of Public Health
6. To ensure that Public Health can more effectively monitor and enforce compliance with the STAKE Act, it should take appropriate steps to ensure that there are no restrictions placed on the use of the data acquired during the annual retailer assessment that would preclude its use for compliance inspection purposes.	No Action Taken	California Department of Public Health
7. To ensure that Public Health can more effectively monitor and enforce compliance with the STAKE Act, it should annually obtain the identifying information regarding the retailers that sold tobacco to minors during the annual retailer assessment and provide that information to the Food and Drug Branch.	No Action Taken	California Department of Public Health
8. To ensure that Public Health can more effectively monitor and enforce compliance with the STAKE Act, it should include the retailers that sold tobacco to minors during the annual retailer assessment when selecting the retailers it plans to inspect as part of the statewide compliance inspections.	No Action Taken	California Department of Public Health
9. Public Health should add language to its youth decoy and parent or legal guardian consent form to clarify that the data obtained from the youth's participation may be used in future research in a way that will not reveal the identity of the youth.	Fully Implemented	California Department of Public Health

Report Number 2012-107

Developmental Centers: Poor-Quality Investigations, Outdated Policies, Leadership and Staffing Problems, and Untimely Licensing Reviews Put Residents at Risk **(July 2013)**

RECOMMENDATION	STATUS OF RECOMMENDATION	ENTITY
1. The department should provide a reminder to staff about the importance of promptly notifying the Office of Protective Services (OPS) of incidents involving resident safety.	Fully Implemented	Department of Developmental Services
2. Within 60 days, the department should make the following amendments to its policies and procedures for OPS: • Clarify who is responsible for deciding whether to make district attorney referrals. • Clarify that the final decision to initiate a specialized medical examination for an alleged victim of sexual assault rests with OPS, not with health care staff. • Require OPS investigators to document their efforts to communicate with alleged victims of abuse, including nonverbal clients, and require supervisors to verify that such efforts have been made when approving investigation reports. • Direct its investigators to record the potential violations of law or facility policy they identify and consider during each investigation.	Fully Implemented	Department of Developmental Services
3. To ensure adequate guidance to OPS personnel, once the department has amended OPS's policies and procedures to reflect the recommendations we have included here, the department and OPS should place a high priority on completing and implementing its planned updates to the OPS policy and procedure manual.	Pending	Department of Developmental Services
4. OPS should provide additional training to its law enforcement personnel on how to conduct an initial incident investigation, particularly regarding collection of written declarations and photographs of alleged victims following an incident.	Pending	Department of Developmental Services
5. To avoid jeopardizing the integrity of its criminal investigations with compelled statements acquired through administrative admonishments, the department should require that different OPS investigators conduct the administrative investigation and the criminal investigation when they involve the same incident.	Pending	Department of Developmental Services
6. As soon as possible, the department should hire a permanent OPS director and permanent OPS commanders that are highly qualified staff capable of performing the administrative functions these positions require.	Pending	Department of Developmental Services

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	RECOMMENDATION	STATUS OF RECOMMENDATION	ENTITY
7.	To help ensure the quality of OPS investigations, the department should revise its OPS training policy to require its law enforcement personnel to attend annually specialized trainings that address their specific needs. At least initially, the department should focus the additional trainings on communicating with residents, writing effective investigative reports, and collecting investigative evidence. To further develop the leadership skills of OPS management, the department should consider having experienced or particularly skilled members of its OPS management provide this annual training.	Pending	Department of Developmental Services
8.	To ensure that it has adequate numbers of staff to properly and promptly investigate developmental center incidents, the department should address the high number of vacancies within OPS by instituting a formal recruitment program in accordance with the guidance provided in the California State Personnel Board's Merit Selection Manual, as well as using input from OPS law enforcement personnel.	Pending	Department of Developmental Services
9.	After the department has implemented a formal OPS recruiting program, if it can demonstrate that it is still having trouble filling vacant OPS positions, the department should evaluate how it can reduce some of the compensation disparity between OPS and the local law enforcement agencies with which it competes for qualified personnel.	Pending	Department of Developmental Services
10.	To make certain that residents receive an adequate level of care and are protected from harm, the department should encourage Human Resources—which is responsible for negotiating labor agreements with employee bargaining units—to include provisions in future collective agreements to cap the number of voluntary overtime hours an employee can work and/or require departments to distribute overtime hours more evenly among staff. If, in the next round of negotiating bargaining unit agreements, Human Resources does not include provisions to cap the number of voluntary overtime hours an employee can work, the department should continue to advocate for these changes for future agreements. In the meantime, the department should adjust its overtime scheduling and monitoring practices to strengthen, where possible, procedures designed to ensure that staff working overtime do not compromise residents' health and safety.	Pending	Department of Developmental Services
11.	To minimize the need for overtime, the department should reassess its minimum staffing requirements, hire a sufficient number of employees to cover these requirements, and examine its employee scheduling processes.	Pending	Department of Developmental Services
12.	To ensure that staff who work overtime are paid the correct amount, developmental center management should require all staff to submit not only overtime approvals, but also the department's standardized form showing time off and overtime hours. Additionally, the department should establish a written guide to help ensure that timekeeping staff follow the overtime provisions of the various laws, regulations, and bargaining unit agreements.	Pending	Department of Developmental Services
13.	The department should create specific measurable goals for OPS that include existing and new measures associated with each one, such as staffing, overtime, and the timely completion of investigations. In addition, the department should perform a regular review of the quality of OPS's activities and investigations to achieve those goals. The department should track progress in quality measures over time and adjust its training plans to increase OPS law enforcement personnel's skill and compliance with established policies and procedures.	Pending	Department of Developmental Services
14.	To allow for the creation of consistent performance measures and comparisons of resident abuse data across all developmental centers, the department should ensure that each of its centers consistently uses the same data fields in IRIS.	Fully Implemented	Department of Developmental Services
15.	To conduct licensing surveys at required intervals while minimizing additional workload, Public Health should explore further opportunities to coordinate the licensing and certification surveys. If Public Health questions the value of these surveys, it should seek legislation to modify the surveying requirements.	Pending	California Department of Public Health
16.	To ensure that the facilities Public Health monitors take timely corrective action on deficiencies, Public Health should comply with the Centers for Medicare & Medicaid Services' (CMS) 45-day revisit requirement. If the 45-day revisit time frame is not possible due to the extent of the corrections required at particular facilities, Public Health should seek exemptions from CMS as appropriate. For facilities whose deficiencies are not severe enough to require an on-site revisit, Public Health should direct its staff to complete desk reviews within 60 days.	Fully Implemented	California Department of Public Health

	RECOMMENDATION	STATUS OF RECOMMENDATION	ENTITY
17.	To ensure that investigations are conducted on a timely basis across priority levels, Public Health should develop and implement target time frames for the priority levels that lack them. Public Health should ensure that the timelines are being met and, if not, explore new ways to increase efficiency and manage its workload, thereby facilitating timely investigations.	Will Not Implement	California Department of Public Health
18.	To improve its enforcement, each year Public Health should evaluate the effectiveness of its enforcement system across all types of health facilities, including those in developmental centers, prepare the required annual report, and, if called for, recommend legislation to improve the enforcement system and enhance the quality of care.	Pending	California Department of Public Health

Report Number 2013-602

New High Risk Entity: Covered California Appears Ready to Operate California's First Statewide Health Insurance Exchange, but Critical Work and Some Concerns Remain **(July 2013)**

	RECOMMENDATION	STATUS OF RECOMMENDATION	ENTITY
1.	To provide as much public transparency as possible, Covered California's board should formally adopt a policy to retain confidentiality only for contracts, contract amendments, and payment rates that are necessary to protect Covered California's interests in future contract negotiations.	Pending	Covered California
2.	To comply with federal requirements, Covered California should develop a plan and procedures for monitoring, recertification, and decertification of qualified health plans.	Pending	Covered California
3.	To ensure the success of its outreach effort, Covered California should track the effect on enrollment figures of its planned outreach and marketing activities and of its assister program.	Pending	Covered California
4.	To ensure financial sustainability, Covered California should conduct regular reviews of enrollment, costs, and revenue and make prompt adjustments to its financial sustainability plan as necessary.	Pending	Covered California

Report Number 2012-122

Mental Health Services Act: The State's Oversight Has Provided Little Assurance of the Act's Effectiveness, and Some Counties Can Improve Measurement of Their Program Performance **(August 2013)**

	RECOMMENDATION	STATUS OF RECOMMENDATION	ENTITY
1.	To ensure that it monitors counties to the fullest extent as the MHSA specifies and that it implements best practices, Health Care Services should draft and enter into a performance contract with each county that contains assurances for effective oversight and furthers the intent of the MHSA, including demonstration that each of the county's MHSA programs are meeting the MHSA's intent.	Partially Implemented	Department of Health Care Services
2.	To ensure that it monitors counties to the fullest extent as the MHSA specifies and that it implements best practices, Health Care Services should conduct comprehensive on-site reviews of county MHSA programs, including verifying county compliance with MHSA requirements.	Partially Implemented	Department of Health Care Services
3.	To ensure that counties have the needed guidance to implement and evaluate their MHSA programs, Health Care Services should coordinate with the Accountability Commission and issue guidance or regulations, as appropriate, for Facilities programs and for other MHSA requirements, such as a prudent reserve.	Partially Implemented	Department of Health Care Services
4.	To ensure that counties have the needed guidance to implement and evaluate their MHSA programs, Health Care Services should commence this regulatory process no later than January 2014.	Partially Implemented	Department of Health Care Services
5.	To ensure that counties have the needed guidance to implement and evaluate their MHSA programs, Health Care Services should collaborate with the Accountability Commission to develop and issue guidance or regulations, as appropriate, to counties on how to effectively evaluate and report on the performance of their MHSA programs.	Pending	Department of Health Care Services
6.	To ensure that Health Care Services and other state entities can evaluate MHSA programs and assist the Accountability Commission in its efforts, Health Care Services should collect complete and relevant MHSA data from the counties.	Pending	Department of Health Care Services

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	RECOMMENDATION	STATUS OF RECOMMENDATION	ENTITY
7.	To ensure that Health Care Services and other state entities can evaluate MHSA programs and assist the Accountability Commission in its efforts, Health Care Services should resolve all known technical issues with the partnership and client services systems and provide adequate and expert resources to manage the systems going forward.	Partially Implemented	Department of Health Care Services
8.	Health Care Services should, as soon as is feasible, revise or create a reasonable and justifiable allocation methodology to ensure that counties are appropriately funded based on their identified needs for mental health services. Health Care Services should ensure that it reviews the methodology regularly and updates it as necessary so that the factors and their weighting are appropriate.	Partially Implemented	Department of Health Care Services
9.	To ensure that counties have needed guidance to implement and evaluate MHSA programs, the Accountability Commission should issue regulations, as appropriate, for Prevention and Innovation programs.	Partially Implemented	Mental Health Services Oversight and Accountability Commission
10.	To ensure that counties have needed guidance to implement and evaluate MHSA programs, the Accountability Commission should commence the regulatory process no later than January 2014.	Partially Implemented	Mental Health Services Oversight and Accountability Commission
11.	To fulfill its charge to evaluate MHSA programs, the Accountability Commission should undertake the evaluations specified in its implementation plan.	Partially Implemented	Mental Health Services Oversight and Accountability Commission
12.	To ensure that it can fulfill its evaluation responsibilities, the Accountability Commission should examine its prioritization of resources as it pertains to performing all necessary evaluations.	Partially Implemented	Mental Health Services Oversight and Accountability Commission
13.	To report on the progress of MHSA programs and support continuous improvement, the Accountability Commission should fully use the results of its evaluations to demonstrate to taxpayers and counties the successes and challenges of these programs.	Partially Implemented	Mental Health Services Oversight and Accountability Commission
14.	The Planning Council should take steps to ensure that it annually reviews the overall effectiveness of MHSA programs in accordance with state law.	Partially Implemented	California Mental Health Planning Council
15.	The Planning Council should document and make public the reviews that it performs of MHSA programs to demonstrate that it is performing all required reviews.	Partially Implemented	California Mental Health Planning Council
16.	To improve the quality of county processes related to measuring program performance, Health Care Services should use its performance contracts with counties to ensure that they specify MHSA program goals in their plans and annual updates and include those same goals in their contracts with program providers.	Partially Implemented	Department of Health Care Services
17.	To improve the quality of county processes related to measuring program performance, Health Care Services should use its performance contracts with counties to ensure that they identify meaningful data to measure the achievement of all their goals, set specific objectives, and require their program providers to capture those data so they can use the data to verify and report the effectiveness of their MHSA programs.	Partially Implemented	Department of Health Care Services
18.	Health Care Services should develop standardized data collection guidelines or regulations, as appropriate, that will address inconsistencies in the data that counties report to the State. In developing these guidelines or regulations, Health Care Services should consult with the Accountability Commission to ensure that data collected reasonably fulfill statewide evaluation purposes.	Pending	Department of Health Care Services
19.	To help ensure county compliance with stakeholder regulations, Health Care Services should provide technical assistance to counties on the MHSA local planning review process and ensure that its guidance to counties is clear and consistent with state regulations.	Pending	Department of Health Care Services
20.	Santa Clara County should review its existing MHSA contracts and by December 31, 2013, or as soon as is feasible, amend them as necessary to include plan goals.	Partially Implemented	Santa Clara County Mental Health Department
21.	Santa Clara County should ensure that all MHSA invoices are adequately supported with information that demonstrates that MHSA services were provided.	Pending	Santa Clara County Mental Health Department

	RECOMMENDATION	STATUS OF RECOMMENDATION	ENTITY
22.	Sacramento County should review its existing MHSA contracts and by December 31, 2013, or as soon as is feasible, amend them as necessary to include plan goals.	Partially Implemented	County of Sacramento Department of Health and Human Services
23.	San Bernardino County should review its existing MHSA contracts and by December 31, 2013, or as soon as is feasible, amend them as necessary to include plan goals.	Partially Implemented	County of San Bernardino Department of Behavioral Health Administration

Report Number 2013-103

Armed Persons With Mental Illness: Insufficient Outreach From the Department of Justice and Poor Reporting From Superior Courts Limit the Identification of Armed Persons With Mental Illness **(October 2013)**

	RECOMMENDATION	STATUS OF RECOMMENDATION	ENTITY
19.	To ensure that all applicable information from State Hospitals is communicated to Justice, by March 31, 2014, Justice and State Hospitals should establish a written understanding of the method and frequency with which State Hospitals will report prohibited individuals to Justice.	Partially Implemented	Department of State Hospitals

Assembly Budget Subcommittee 2: Education Finance

Report Number 2011-117

High School Graduation and Dropout Data: California's New Database May Enable the State to Better Serve Its High School Students Who Are at Risk of Dropping Out **(March 2012)**

	RECOMMENDATION	STATUS OF RECOMMENDATION	ENTITY
1.	To increase consistency, the department should remind schools and school districts of the importance of aligning their procedures for recording pupil enrollment and exit data with the CALPADS Data Guide.	Fully Implemented	California Department of Education
2.	To improve efficiency, the department should inform school districts of the value of frequently updating the data they transfer from their local student information systems to CALPADS. Also, to the extent that departments become aware of ways that schools and school districts can perform CALPADS-related activities more efficiently, it should provide written guidance to schools and school districts on these best practices.	Fully Implemented	California Department of Education
3.	To improve the utility of CALPADS and fulfill the legislative intent of the system, the department should work with the Legislature, the State Board of Education, and the governor to identify priorities for building upon the system when funding is available. These priorities could include tracking student participation in dropout prevention programs or strategies to measure the effectiveness of those programs or strategies over time.	Will Not Implement	California Department of Education

Report Number 2012-032

California's Postsecondary Educational Institutions: Some Institutions Have Not Fully Complied With Federal Crime Reporting Requirements **(October 2012)**

	RECOMMENDATION	STATUS OF RECOMMENDATION	ENTITY
1.	To ensure that they comply with the Clery Act by correctly reporting all applicable crimes and disclosing all required campus security policies, institutions should review and adhere to applicable guidance related to the Clery Act, including Education's Office of Postsecondary Education's (OPE) Handbook for Campus Safety and Security Reporting (OPE handbook) and the Federal Bureau of Investigation's Uniform Crime Reporting Handbook.	Fully Implemented	Academy of Art University

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	RECOMMENDATION	STATUS OF RECOMMENDATION	ENTITY
2.	To ensure that they comply with the Clery Act by correctly reporting all applicable crimes and disclosing all required campus security policies, institutions should review and adhere to applicable guidance related to the Clery Act, including the OPE handbook and the Federal Bureau of Investigation's Uniform Crime Reporting Handbook.	Fully Implemented	California State University, Northridge
3.	To ensure that they comply with the Clery Act by correctly reporting all applicable crimes and disclosing all required campus security policies, institutions should review and adhere to applicable guidance related to the Clery Act, including the OPE handbook and the Federal Bureau of Investigation's Uniform Crime Reporting Handbook.	Pending	Laney College
4.	To ensure that they comply with the Clery Act by correctly reporting all applicable crimes and disclosing all required campus security policies, institutions should review and adhere to applicable guidance related to the Clery Act, including the OPE handbook and the Federal Bureau of Investigation's Uniform Crime Reporting Handbook.	Fully Implemented	San Bernardino Community College District
5.	To ensure that they comply with the Clery Act by correctly reporting all applicable crimes and disclosing all required campus security policies, institutions should review and adhere to applicable guidance related to the Clery Act, including the OPE handbook and the Federal Bureau of Investigation's Uniform Crime Reporting Handbook.	Fully Implemented	San Diego Community College District
6.	To ensure that they comply with the Clery Act by correctly reporting all applicable crimes and disclosing all required campus security policies, institutions should review and adhere to applicable guidance related to the Clery Act, including the OPE handbook and the Federal Bureau of Investigation's Uniform Crime Reporting Handbook.	Pending	University of the Pacific
7.	To ensure that they comply with the Clery Act by correctly reporting all applicable crimes and disclosing all required campus security policies, institutions should thoroughly review the Clery Act crime statistics and security policy disclosures in their annual security reports for accuracy before publication.	Fully Implemented	Academy of Art University
8.	To ensure that they comply with the Clery Act by correctly reporting all applicable crimes and disclosing all required campus security policies, institutions should thoroughly review the Clery Act crime statistics and security policy disclosures in their annual security reports for accuracy before publication.	Fully Implemented	California State University, Northridge
9.	To ensure that they comply with the Clery Act by correctly reporting all applicable crimes and disclosing all required campus security policies, institutions should thoroughly review the Clery Act crime statistics and security policy disclosures in their annual security reports for accuracy before publication.	Pending	Laney College
10.	To ensure that they comply with the Clery Act by correctly reporting all applicable crimes and disclosing all required campus security policies, institutions should thoroughly review the Clery Act crime statistics and security policy disclosures in their annual security reports for accuracy before publication.	Fully Implemented	San Bernardino Community College District
11.	To ensure that they comply with the Clery Act by correctly reporting all applicable crimes and disclosing all required campus security policies, institutions should thoroughly review the Clery Act crime statistics and security policy disclosures in their annual security reports for accuracy before publication.	Fully Implemented	San Diego Community College District
12.	To ensure that they comply with the Clery Act by correctly reporting all applicable crimes and disclosing all required campus security policies, institutions should thoroughly review the Clery Act crime statistics and security policy disclosures in their annual security reports for accuracy before publication.	Pending	University of the Pacific
13.	To ensure that they comply with the Clery Act by correctly reporting all applicable crimes and disclosing all required campus security policies, institutions should ensure that they have a complete, accessible daily crime log, as required by the Clery Act.	Pending	Laney College
14.	To ensure that they comply with the Clery Act by correctly reporting all applicable crimes and disclosing all required campus security policies, institutions should ensure that they have a complete, accessible daily crime log, as required by the Clery Act.	Fully Implemented	San Bernardino Community College District
15.	To ensure that they comply with the Clery Act by correctly reporting all applicable crimes and disclosing all required campus security policies, institutions should ensure that they have a complete, accessible daily crime log, as required by the Clery Act.	Fully Implemented	San Diego Community College District

	RECOMMENDATION	STATUS OF RECOMMENDATION	ENTITY
16.	To ensure that they comply with the Clery Act by correctly reporting all applicable crimes and disclosing all required campus security policies, institutions should ensure that they have a complete, accessible daily crime log, as required by the Clery Act.	Fully Implemented	University of the Pacific
17.	Institutions should ensure that they properly notify both current and prospective students and employees of the availability of their annual security reports in the manner prescribed by the Clery Act.	Pending	Laney College
18.	Institutions should ensure that they properly notify both current and prospective students and employees of the availability of their annual security reports in the manner prescribed by the Clery Act.	Fully Implemented	San Bernardino Community College District
19.	Institutions should ensure that they properly notify both current and prospective students and employees of the availability of their annual security reports in the manner prescribed by the Clery Act.	Fully Implemented	San Diego Community College District
20.	Institutions should ensure that they properly notify both current and prospective students and employees of the availability of their annual security reports in the manner prescribed by the Clery Act.	Partially Implemented	University of the Pacific

Report Number 2012-103

Los Angeles Unified School District: It Could Do More to Improve Its Handling of Child Abuse Allegations **(November 2012)**

	RECOMMENDATION	STATUS OF RECOMMENDATION	ENTITY
1.	To ensure that the Commission on Teacher Credentialing (commission) is made aware of certificated employees who need to be reviewed to determine whether the employees' teaching credentials should be suspended or revoked, the district should adhere to state requirements for reporting cases to the commission. Further, the district should avoid reporting cases that are not yet required to be reported so that it will not overburden the commission.	Fully Implemented	Los Angeles Unified School District
2.	To ensure that investigations proceed in a timely manner and that the district disciplines employees promptly, the district should increase its oversight of open allegations of employee abuse against students.	Fully Implemented	Los Angeles Unified School District
3.	To ensure that it does not duplicate efforts and that its information is complete, the district should identify one division to maintain a districtwide tracking mechanism for settlements that includes the total amounts paid and descriptions of the misconduct.	Fully Implemented	Los Angeles Unified School District

Report Number I2012-1

Investigations of Improper Activities by State Agencies and Employees: Bribery, Conspiracy to Commit Mail Fraud, Improper Overtime Payments, Improper Use of Lease Proceeds, Improper Travel Expenses, and Other Violations of State Law **(December 2012)**

	RECOMMENDATION	STATUS OF RECOMMENDATION	ENTITY
11.	Education should block *The Sacramento Bee's* Web site from the employee's computer station for a specified period.	Resolved	California Department of Education
12.	Education should evaluate the necessity of the employee's direct access to *The Sacramento Bee's* Web site and take appropriate actions to prevent further abuses of state resources. These actions may include blocking other specific Web sites or periodically monitoring the employee's Internet usage.	Resolved	California Department of Education
13.	Education should take appropriate corrective action against the employee for misusing state resources.	Resolved	California Department of Education
14.	Education should take appropriate corrective action against Supervisor A for failing to adequately monitor and discipline the employee.	Fully Implemented	California Department of Education
23.	To address the improper acts we identified, the university should collect $1,802 from the official for the wasteful expenses he claimed for lodging and meals during his trip to England, the expenses he incurred within the vicinity of his headquarters, and the business meal expenses.	Partially Implemented	University of California

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	RECOMMENDATION	STATUS OF RECOMMENDATION	ENTITY
24.	The university should revise the policies to allow employees to claim only actual lodging expenses up to established rates for international travel.	Pending	University of California
25.	The university should include a policy specific to parking to assist supervisors in determining appropriate expenses.	Fully Implemented	University of California
26.	The university should clarify policies to include a distance test for expenses that employees incur within the vicinity of their headquarters.	Partially Implemented	University of California
27.	The university should revise policies to establish defined maximum limits for the reimbursement of domestic lodging costs and establish controls that allow for exceptions to the limits under specific circumstances only.	No Action Taken	University of California

Report Number 2012-044

California Department of Education: Despite Some Improvements, Oversight of the Migrant Education Program Remains Inadequate
(February 2013)

	RECOMMENDATION	STATUS OF RECOMMENDATION	ENTITY
1.	To minimize the potential for disagreement over allowable migrant program costs, Education should better define the criteria by which it will consider program costs allowable and include those criteria in the migrant program fiscal handbook it provides to the regions.	Pending	California Department of Education
2.	To demonstrate its willingness to fairly evaluate regional expenditures, Education should allow San Joaquin to reimburse its general fund for the vehicle purchase Education incorrectly disallowed.	Will Not Implement	California Department of Education
3.	To improve its understanding of regional expenditures, Education should increase the level of detail required in its quarterly expenditure reports. The level of detail should allow Education to select expenditures for review.	Pending	California Department of Education
4.	For regions that have not recently received a federal monitoring review, Education should use the detailed expenditure reports to select a sample of expenditures, request supporting documentation from the regions, and then review the expenditures to determine if they meet applicable federal and state criteria.	Pending	California Department of Education
5.	As part of the reviews based on quarterly reports, Education should verify that regions are using the appropriate accounting codes to classify their expenditures.	Pending	California Department of Education
6.	To guard against future conflicts of interest, San Joaquin should complete its evaluation and revision of its procurement policies and procedures, update its conflict-of-interest code, and ensure that all its managers receive conflict-of-interest training.	Fully Implemented	San Joaquin County Office of Education
7.	Education should follow up with San Joaquin to ensure that it takes the actions we recommend.	Fully Implemented	California Department of Education
8.	To address problems with its methodology for calculating administrative costs, Education should review the regions' current use of accounting codes to identify the areas in which regions differ in accounting for similar migrant program costs.	Pending	California Department of Education
9.	To address problems with its methodology for calculating administrative costs, Education should provide regions with more specific direction about how to charge these expenses.	Pending	California Department of Education
10.	To address problems with its methodology for calculating administrative costs, Education should revise its list of accounting codes that it considers administrative in light of its review of regional coding.	Pending	California Department of Education
11.	Once it has addressed the underlying issues with regional accounting, provided direction to regions about which expenditures it will consider administrative, and obtained accurate expenditure data, Education should review its administrative cost goal to ensure that this goal is reasonable given the requirements of the migrant program.	Pending	California Department of Education
12.	To address past federal findings that are not yet resolved, Education should respond as recommended in Appendix B of the report.	Pending	California Department of Education

	RECOMMENDATION	STATUS OF RECOMMENDATION	ENTITY
13.	To determine if the statewide migrant education program is effective, Education should finalize its current evaluation of the program and begin developing the capacity to produce a more robust annual evaluation of the program.	Pending	California Department of Education
14.	To address a lack of detailed migrant program service and outcome data, Education should either expand the capabilities of its existing statewide databases or implement additional systems that would allow regions to capture more detailed data about migrant students.	Pending	California Department of Education
15.	To ensure that it receives satisfactory services and outcomes for the funds spent on statewide contracts for the migrant program, Education should develop and execute a plan to monitor each of its contracts and cancel any it determines do not provide adequate or cost-effective services.	Partially Implemented	California Department of Education
16.	To ensure that the state parent council complies with the requirement that two-thirds of its membership consist of parents of migrant children, Education should accurately and continually update its member directory and inform the regional parent councils regularly about the current composition of the state parent council.	Pending	California Department of Education
17.	To ensure that it receives a report from the state parent council, Education should continue to provide the necessary training to the council regarding the report and ensure that the council report appears on the agenda for state parent council meetings.	Fully Implemented	California Department of Education

Report Number 2012-108

School Safety and Nondiscrimination Laws: Most Local Educational Agencies Do Not Evaluate the Effectiveness of Their Programs, and the State Should Exercise Stronger Leadership **(August 2013)**

	RECOMMENDATION	STATUS OF RECOMMENDATION	ENTITY
1.	To ensure that it is effectively preventing and addressing incidents of discrimination, harassment, intimidation, and bullying in its schools, Fresno Unified should continue its efforts to implement methods to measure the effectiveness of school safety programs at both the district and school site levels.	Pending	Fresno Unified School District
2.	To ensure that it is effectively preventing and addressing incidents of discrimination, harassment, intimidation, and bullying in its schools, Fresno Unified should ensure that school sites follow the complaint procedures established in its policies.	Pending	Fresno Unified School District
3.	To ensure that it is effectively preventing and addressing incidents of discrimination, harassment, intimidation, and bullying in its schools, Los Angeles Unified should monitor school sites to ensure that they implement school safety programs.	Pending	Los Angeles Unified School District
4.	To ensure that it is effectively preventing and addressing incidents of discrimination, harassment, intimidation, and bullying in its schools, Los Angeles Unified should measure the effectiveness of its school safety programs at both the district and school site levels.	Pending	Los Angeles Unified School District
5.	To ensure that it is effectively preventing and addressing incidents of discrimination, harassment, intimidation, and bullying in its schools, Los Angeles Unified should ensure that school sites evaluate the effectiveness of the programs they choose to implement.	Pending	Los Angeles Unified School District
6.	To ensure that it is effectively preventing and addressing incidents of discrimination, harassment, intimidation, and bullying in its schools, Los Angeles Unified should resolve complaints within 60 calendar days regardless of the complaint process selected.	Pending	Los Angeles Unified School District
7.	To ensure that it is effectively preventing and addressing incidents of discrimination, harassment, intimidation, and bullying in its schools, Los Angeles Unified should ensure that school sites follow the complaint procedures established in its policies.	Pending	Los Angeles Unified School District
8.	To ensure that it is effectively preventing and addressing incidents of discrimination, harassment, intimidation, and bullying in its schools, Sacramento City Unified should ensure that school site staff complete the training required under its anti-bullying policy.	Pending	Sacramento City Unified School District
9.	To ensure that it is effectively preventing and addressing incidents of discrimination, harassment, intimidation, and bullying in its schools, Sacramento City Unified should continue its efforts to implement school safety programs at school sites.	Fully Implemented	Sacramento City Unified School District
10.	To ensure that it is effectively preventing and addressing incidents of discrimination, harassment, intimidation, and bullying in its schools, Sacramento City Unified should measure the effectiveness of its school safety programs at both the district and school site levels.	Pending	Sacramento City Unified School District

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	RECOMMENDATION	STATUS OF RECOMMENDATION	ENTITY
11.	To ensure that it is effectively preventing and addressing incidents of discrimination, harassment, intimidation, and bullying in its schools, Sacramento City Unified should ensure the impartial resolution of complaints by not assigning the investigation to site administrators or other staff specifically named in the complaint.	Pending	Sacramento City Unified School District
12.	To ensure that it is effectively preventing and addressing incidents of discrimination, harassment, intimidation, and bullying in its schools, Sacramento City Unified should notify all complainants of the right to appeal its decisions to Education.	Fully Implemented	Sacramento City Unified School District
13.	To ensure that it is effectively preventing and addressing incidents of discrimination, harassment, intimidation, and bullying in its schools, Sacramento City Unified should update its policies and procedures to calculate the state-mandated time limit for resolving complaints in accordance with state regulations.	Pending	Sacramento City Unified School District
14.	To ensure that it is effectively preventing and addressing incidents of discrimination, harassment, intimidation, and bullying in its schools, Sacramento City Unified should resolve complaints within 60 calendar days regardless of the complaint process selected.	Partially Implemented	Sacramento City Unified School District
15.	To ensure that it is effectively preventing and addressing incidents of discrimination, harassment, intimidation, and bullying in its schools, Sacramento City Unified should ensure that school sites follow the complaint procedures established in its policies.	Pending	Sacramento City Unified School District
16.	To provide stronger leadership with respect to school safety and nondiscrimination laws, Education, with direction from the superintendent of public instruction, should ensure that the Office of Equal Opportunity (EO office) program instrument is updated annually to include any new requirements in state law, and also ensure that the EO office performs monitoring visits as required and with sufficient rigor to evaluate LEAs' compliance with state law.	Pending	California Department of Education
17.	To provide stronger leadership with respect to school safety and nondiscrimination laws, Education, with direction from the superintendent of public instruction, should prioritize the review of parent, student, guardian, or interested party appeals to ensure that the EO office follows state regulations by processing appeals more promptly, notifying LEAs of when appeals are filed, and obtaining the investigation files and other documents when reviewing complaint appeals.	Pending	California Department of Education
19.	To provide stronger leadership with respect to school safety and nondiscrimination laws, Education, with direction from the superintendent of public instruction, should use data from the kids survey and reported suspensions and expulsions to evaluate the levels of discrimination, harassment, intimidation, and bullying students encounter and to determine the effectiveness of its own and the LEAs' efforts, and report the results to the Legislature by August 1, 2014.	Pending	California Department of Education
21.	To provide stronger leadership with respect to school safety and nondiscrimination laws, Education, with direction from the superintendent of public instruction, should within the next six months and annually thereafter, update and replace the resources on its Web site to provide more relevant information on best practices, such as preventing and responding to incidents related to a protected characteristic or that occur through cyberbullying, the U.S. DOE report on state bullying legislation, and best practices in other states, such as the Massachusetts law on LEA staff training requirements.	Pending	California Department of Education

Report Number 2013-107

Accounts Outside the State's Centralized Treasury System: Processes Exist to Safeguard Money, but Controls for These Accounts Need Strengthening **(October 2013)**

	RECOMMENDATION	STATUS OF RECOMMENDATION	ENTITY
7.	To ensure accurate reporting on its outside accounts in the future, within the next six months, the California State University should develop procedures for excluding investments held by the treasury system from reported outside account balances.	Fully Implemented	California State University

Report Number 2012-113

California State University's Extended Education: It Is Unclear Whether Supplanting Occurred, and Campuses Did Not Always Document Their Adherence to Laws, Policies, and Procedures **(December 2013)**

	RECOMMENDATION	STATUS OF RECOMMENDATION	ENTITY
2.	To help the Legislature clarify its intent regarding supplanting as identified in the California Education Code, Section 89708, the Chancellor's Office should immediately begin working with the Legislature and its staff to that end.	Pending†	California State University
3.	Until the Legislature clarifies its intent regarding California Education Code, Section 89708, the Chancellor's Office should immediately finalize its executive order pertaining to extended education. This guidance should identify appropriate oversight mechanisms for ensuring campuses' compliance with this law.	Pending†	California State University
4.	Within six months of the date the Legislature clarifies its intent regarding California Education Code, Section 89708, the Chancellor's Office should develop and issue final guidance to campuses regarding supplanting, including identifying appropriate oversight mechanisms for ensuring campuses' compliance with this law.	Pending†	California State University
5.	To effectively monitor and ensure that the campuses set self-supported fees in accordance with state law and Executive Order 1054, the Chancellor's Office should immediately require campus chief financial officers to develop, and presidents to consider, the statement of revenues and expenditures described in Executive Order 1054 before making a determination on self-supported extended education program fees.	Pending†	California State University
6.	To effectively monitor and ensure that the campuses set self-supported fees in accordance with state law and Executive Order 1054, the Chancellor's Office should immediately instruct campuses to report annually a complete inventory of their self-supported extended education fees, including past and current fee rates, the total revenue collected for each fee, and the remaining balance of revenue collected for each fee.	Pending†	California State University
7.	To effectively monitor and ensure that the campuses set self-supported fees in accordance with state law and Executive Order 1054, the Chancellor's Office should immediately direct its internal audit staff to periodically conduct audits of the campuses' self-supported extended education fees to determine the appropriateness of the fees, including the methodology the campuses use to set the fees and the inventory they report to the Chancellor's Office.	Pending†	California State University
8.	To ensure that it sets self-supported fees for extended education in accordance with state law and Executive Order 1054, CSU Long Beach should immediately prepare a statement of revenues and expenditures for the Bachelor of Science in Engineering Degree Completion Program for Electrical Engineering that we discuss in the report and, if necessary, increase or decrease that program's future fees to appropriate levels.	Pending†	California State University, Long Beach
9.	To ensure that it sets self-supported fees for extended education in accordance with state law and Executive Order 1054, CSU Long Beach should immediately revise its methodology for calculating the direct allocations component of its fees for extended education programs and base the calculation on direct costs that can be readily assigned to the programs and indirect costs that have been identified in its approved cost allocation plan.	Pending†	California State University, Long Beach
10.	To ensure that it sets self-supported fees for extended education in accordance with state law and Executive Order 1054, CSU Long Beach should immediately retain documentation to support the direct allocations it charges extended education programs.	Pending†	California State University, Long Beach
11.	To ensure that it sets self-supported fees for extended education in accordance with state law and Executive Order 1054, CSU Long Beach should immediately prepare and retain market studies to justify the appropriateness of its fee increases.	Pending†	California State University, Long Beach
12.	To ensure that it sets self-supported fees for extended education in accordance with state law and Executive Order 1054, CSU Long Beach should immediately conduct a study to determine the appropriate program reinvestment allocation percentage to apply to the individual fee it sets for each extended education program.	Pending†	California State University, Long Beach
13.	To ensure that it sets self-supported fees for extended education in accordance with state law and Executive Order 1054, CSU Long Beach should immediately retain documentation to support the established program reinvestment allocation percentage.	Pending†	California State University, Long Beach

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	RECOMMENDATION	STATUS OF RECOMMENDATION	ENTITY
14.	To ensure that it sets self-supported fees for extended education in accordance with state law and Executive Order 1054, CSU Long Beach should immediately revise its student fee policy to specifically require the development, appropriate consideration, and retention of statements of revenues and expenditures when establishing or adjusting future fees for self-supported extended education courses and programs.	Pending†	California State University, Long Beach
15.	To ensure that it sets self-supported fees for extended education in accordance with state law and Executive Order 1054, CSU Long Beach should immediately revise its student fee policy to include its revised methodology for calculating the direct allocation component of the fee and its procedure for applying the established program reinvestment allocation percentage to the individual fees it sets for each self-supported extended education program.	Pending†	California State University, Long Beach
16.	To ensure that it sets self-supported extended education fees in accordance with state law and Executive Order 1054, CSU Sacramento should immediately discontinue its practice of allowing the College of Continuing Education to submit fee proposals for ranges of fees instead of individual fees for extended education courses and programs.	Pending†	California State University, Sacramento
17.	To ensure that it sets self-supported extended education fees in accordance with state law and Executive Order 1054, CSU Sacramento should immediately discontinue its practice of approving fee proposals for ranges of fees instead of individual fees for extended education courses and programs.	Pending†	California State University, Sacramento
18.	To ensure that it sets self-supported extended education fees in accordance with state law and Executive Order 1054, CSU Sacramento should immediately prepare statements of revenues and expenditures for the ongoing programs we discuss in this report, and, if necessary, increase or decrease those programs' future fees to appropriate levels.	Pending†	California State University, Sacramento
19.	To ensure that it sets self-supported extended education fees in accordance with state law and Executive Order 1054, CSU Sacramento should immediately revise its student fee policy to specifically require the development, appropriate consideration, and retention of statements of revenues and expenditures when establishing or adjusting future fees for extended education courses and programs.	Pending†	California State University, Sacramento
20.	To ensure that it sets self-supported fees for extended education in accordance with state law and Executive Order 1054, San José State should immediately prepare statements of revenues and expenditures for the programs we discuss in this report, and, if necessary, increase or decrease those programs' future fees to appropriate levels.	Pending†	California State University, San José
21.	To ensure that it sets self-supported fees for extended education in accordance with state law and Executive Order 1054, San José State should immediately revise its fee proposal instructions to specifically require the development, appropriate consideration, and retention of statements of revenues and expenditures when establishing or adjusting future fees for each extended education course and program.	Pending†	California State University, San José
22.	To ensure that it sets self-supported fees for extended education in accordance with state law and Executive Order 1054, San José State should immediately discontinue its practice of setting its summer session fees for extended education courses and programs based on the fees set by the Chancellor's Office for state-supported summer session courses and programs.	Pending†	California State University, San José
23.	To ensure that campuses spend their CERF trust account fund balances appropriately, the Chancellor's Office should immediately reinstate its carry-forward fund policy, and starting with fiscal year 2012–13, require campuses to submit spending plans.	Pending†	California State University
24.	To ensure that campuses spend their CERF trust account fund balances appropriately, the Chancellor's Office should immediately direct its internal audit staff to periodically review the campuses' extended education course and program expenditures.	Pending†	California State University
25.	To ensure that the CERF trust account bears a reasonable portion of the campuswide instructional technology upgrade project's costs, San José State should immediately determine the proportionate share of the project cost each stakeholder, including extended education, should bear and, if necessary, transfer funds back to the CERF trust account.	Pending†	California State University, San José

	RECOMMENDATION	STATUS OF RECOMMENDATION	ENTITY
26.	To strengthen its oversight of payments made from the CERF trust account, San José State should immediately establish procedures instructing departments to demonstrate that each payment request is for the support and development of CSU self-supported instructional courses and programs. These procedures should include, at a minimum, the following: • A requirement for departments to attach copies of documents such as purchase orders, work orders, and contracts to their requests for payments to demonstrate that direct costs for services or activities benefit self-supported instructional courses and programs; these documents should be easily traceable to those courses and programs. • A requirement for departments to demonstrate that they assign indirect costs to self-supported instructional courses and programs according to a methodology that represents a reasonable and equitable distribution. • A requirement for departments to retain documentation to support the development of the methodologies they use to distribute indirect costs to self-supported instructional courses and programs. • A definition for reasonable and equitable distribution using one of the three common methods identified in the *State Administrative Manual* or methods developed by the campus and approved by the Chancellor's Office.	Pending†	California State University, San José
27.	To strengthen its oversight of payments made from the CERF trust account, San José State should immediately revise its funding model policy to define the term periodically.	Pending†	California State University, San José
28.	To strengthen its oversight of payments made from the CERF trust account, San José State should immediately perform periodic reviews of the allocation percentages in its funding model policy.	Pending†	California State University, San José
29.	To strengthen its oversight of payments made from the CERF trust account, CSU Long Beach should immediately enter into a written agreement with the foundation that specifies, among other things, the functions the foundation is to manage, operate, or administer for the College of Continuing and Professional Education and the necessity for the foundation to administer the functions instead of the College of Continuing and Professional Education.	Pending†	California State University, Long Beach
30.	To strengthen its oversight of payments made from the CERF trust account, CSU Long Beach should immediately review and document the appropriateness of the campus partners' allocation percentages using current data and, if needed, adjust the percentages.	Pending†	California State University, Long Beach
31.	To strengthen its oversight of payments made from the CERF trust account, CSU Long Beach should immediately develop and retain partnership agreements that reflect the campus partners' allocation percentages.	Pending†	California State University, Long Beach
32.	To strengthen its oversight of payments made from the CERF trust account, CSU Sacramento should immediately review and document the methodology it uses to allocate revenue to the campus partners.	Pending†	California State University, Sacramento
33.	To strengthen its oversight of payments made from the CERF trust account, CSU Sacramento should immediately develop and retain partnership agreements that reflect the agreed-upon terms between the College of Continuing Education and campus partners.	Pending†	California State University, Sacramento
34.	To strengthen its oversight of payments made from the CERF trust account, CSU Sacramento should immediately develop and implement written procedures for payroll.	Pending†	California State University, Sacramento
35.	To strengthen its oversight of payments made from the CERF trust account, CSU Sacramento should immediately update its timekeeper manual.	Pending†	California State University, Sacramento
36.	To help the Chancellor's Office enforce state law that prohibits supplanting state-supported courses and programs, CSU Long Beach should immediately remind all relevant employees to notify the Chancellor's Office before converting state-supported degree programs to self-supported degree programs.	Pending†	California State University, Long Beach

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	RECOMMENDATION	STATUS OF RECOMMENDATION	ENTITY
37.	To minimize the risk that it appoints faculty who are not qualified to teach self-supported for-credit programs, CSU Long Beach should immediately establish and implement procedures comparable to those it uses for recruiting and appointing faculty to teach state-supported courses and programs.	Pending†	California State University, Long Beach
38.	To help the Chancellor's Office enforce state law that prohibits supplanting state-supported courses and programs, CSU Sacramento should immediately remind all relevant employees to notify the Chancellor's Office before converting state-supported degree programs to self-supported degree programs.	Pending†	California State University, Sacramento
39.	To ensure that it appoints the best-qualified applicant from a pool of applicants as its policy requires, CSU Sacramento should immediately follow through on its plans to establish a continuously open vacancy announcement for programs where the pool can be very limited.	Pending†	California State University, Sacramento

Assembly Budget Subcommittee 3: Resources and Transportation

Report Number 2011-504

High-Speed Rail Authority Follow-Up: Although the Authority Addressed Some of Our Prior Concerns, Its Funding Situation Has Become Increasingly Risky and the Authority's Weak Oversight Persists **(January 2012)**

	RECOMMENDATION	STATUS OF RECOMMENDATION	ENTITY
1.	To ensure that it can respond adequately to funding levels that may vary from its business plan, the Authority should develop and publish alternative funding scenarios that reflect the possibility of reduced or delayed funding from the planned sources. These scenarios should detail the implications of variations in the level or timing of funding on the program and its schedule.	Not Fully Implemented*	High-Speed Rail Authority
2.	In order to respond effectively to circumstances that could significantly delay or halt the program, the Authority should ensure that it implements planned actions related to managing risk.	Fully Implemented	High-Speed Rail Authority
3.	To avert possible legal challenges, the Authority should ensure that the independent peer review panel adheres to the Bagley-Keene Open Meeting Act or seek a formal opinion from the Office of the Attorney General regarding whether the panel is subject to this act.	Will Not Implement	High-Speed Rail Authority
4.	To ensure that it does not run out of funds for administrative and preconstruction tasks prematurely, the Authority should track expenditures for these activities and develop a long-term spending plan for them. It also should develop procedures and systems to ensure that it complies with American Recovery and Reinvestment Act of 2009 requirements.	Fully Implemented	High-Speed Rail Authority
5.	In order to ensure that staff receive relevant information on the program's status, the Authority should amend the oversight consultant's work plan to include a critical review of the progress reports for accuracy and consistency. Authority staff should also request that the program manager revise its progress reports to include information on the status of contract products and services in relationship to what was promised.	Fully Implemented	High-Speed Rail Authority
6.	To ensure that it does not misuse public funds and can hold contractors accountable, the Authority should adhere to the conditions of its contracts and work plans, and make any amendments and modifications in writing.	Fully Implemented	High-Speed Rail Authority
7.	To add clarification to the first recommendation we made in our prior report that stated, "To ensure that it can respond adequately to funding levels that may vary from its business plan, the Authority should develop and publish alternative funding scenarios that reflect the possibility of reduced or delayed funding from the planned sources. These scenarios should detail the implications of variations in the level or timing of funding on the program and its schedule," the Authority should also present viable alternative funding scenarios for phase one in its entirety that do not assume an increase in the federal funding levels already identified in the 2012 draft business plan. If the Authority does not believe that such alternatives exist, it should publicly disclose this in its 2012 final business plan.	Not Fully Implemented*	High-Speed Rail Authority
8.	To ensure that the public and the Legislature are aware of the full cost of the program, the Authority should clearly report total costs, including projected operating and maintenance costs for the program.	Fully Implemented	High-Speed Rail Authority

	RECOMMENDATION	STATUS OF RECOMMENDATION	ENTITY
9.	To ensure that the public and the Legislature are aware of the full cost of the program, the Authority should clearly disclose that the 2012 draft business plan assumes that the State will only be receiving profits for the first two years of operation in 2022 and 2023, and potentially not again until 2060 in exchange for the almost $11 billion the Authority assumes it will receive from the private sector over a four-year period.	Not Fully Implemented*	High-Speed Rail Authority
10.	To ensure that it has adequate staff to effectively oversee the program, the Authority should continue to fill its vacant positions.	Fully Implemented	High-Speed Rail Authority
11.	To ensure that it has adequate staff to effectively oversee the program, the Authority should conduct a workload analysis to determine the total number of staff it needs as well as the functions those staff should perform.	Fully Implemented	High-Speed Rail Authority
12.	To comply with the political reform act, the Authority should establish written policies and procedures for tracking whether all designated employees and consultants have completed and filed their statements of economic interests on time, thereby identifying any potential conflicts of interest.	Fully Implemented	High-Speed Rail Authority
13.	To increase transparency and to ensure that it is aware of any financial interest that a subcontractor may have in the program, the Authority should require subcontractors to file statements of economic interest.	Not Fully Implemented*	High-Speed Rail Authority
14.	To ensure that the program manager's monthly progress reports are accurate, consistent, and useful, the Authority should reinstate the oversight consultant's review of the progress reports.	Fully Implemented	High-Speed Rail Authority
15.	To ensure that the program manager's monthly progress reports are accurate, consistent, and useful, the Authority should hold the program manager accountable for implementing the oversight consultant's recommendations. For example, the Authority could withhold partial payment of invoices to the program manager until it fully addresses these recommendations.	Fully Implemented	High-Speed Rail Authority
16.	To ensure that the program manager's monthly progress reports are accurate, consistent, and useful, the Authority should conduct monthly comparisons of the program manager's and the regional contractors' progress reports to verify that they are consistent with one another and to ensure that the reports include an accurate status of promised deliverables.	Fully Implemented	High-Speed Rail Authority
17.	To ensure that the regional contractors' monthly progress reports provide sufficient detail to support the monthly invoices, the Authority should perform a monthly comparison of the regional contractors' invoices with the corresponding progress reports. Specifically, the Authority should ensure that the regional contractors' monthly progress reports describe the work they performed in those areas for which they claimed costs in the corresponding invoices. The Authority should discuss with the program manager any areas that lack sufficient detail in the progress reports to make such determinations.	Fully Implemented	High-Speed Rail Authority
18.	To be aware of and respond effectively to circumstances that could significantly delay or halt the program, the Authority should hire a risk manager as soon as possible. Until then, it should designate and require Authority staff to attend risk-management meetings and workshops.	Fully Implemented	High-Speed Rail Authority
19.	To be aware of and respond effectively to circumstances that could significantly delay or halt the program, the Authority needs to be involved in the development and implementation of the program manager's risk-management plan and ensure that Authority staff have roles and responsibilities defined in the plan, such as identifying and mitigating risks in the risk register.	Fully Implemented	High-Speed Rail Authority
20.	To be aware of and respond effectively to circumstances that could significantly delay or halt the program, the Authority should monitor the program manager's risk management practices to ensure that either it or the program manager identifies and promptly and appropriately addresses risks.	Fully Implemented	High-Speed Rail Authority
21.	To effectively manage its contracts, the Authority should develop procedures to detect and prevent contract splitting.	Fully Implemented	High-Speed Rail Authority
22.	To effectively manage its contracts, the Authority should begin awarding contracts with a sufficient amount of lead time.	Fully Implemented	High-Speed Rail Authority
23.	To effectively manage its contracts, the Authority should immediately begin the process of soliciting competitive bids for its IT services.	Fully Implemented	High-Speed Rail Authority

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Report Number 2011-103

California's Mutual Aid System: The California Emergency Management Agency Should Administer the Reimbursement Process More Effectively **(January 2012)**

	RECOMMENDATION	STATUS OF RECOMMENDATION	ENTITY
9.	If the Federal Emergency Management Agency (FEMA) determines that the calculations and claims identified in the Office of Inspector General's audit report were erroneous, CAL FIRE should revise its method of claiming reimbursement for personnel hours to comply with FEMA's policy.	Fully Implemented	Department of Forestry and Fire Protection
10.	If FEMA determines that the calculations and claims identified in the Office of Inspector General's audit report were erroneous, CAL FIRE should collaborate with Cal EMA to establish a system that calculates the maximum number of reimbursable personnel hours in accordance with both FEMA's policy and the California Fire Assistance Agreement.	Fully Implemented	Department of Forestry and Fire Protection

Report Number 2011-123

Oil Spill Prevention and Administration Fund: The Department of Fish and Game and the Office of Spill Prevention and Response Need to Improve Their Administration of the Spill Fund **(August 2012)**

	RECOMMENDATION	STATUS OF RECOMMENDATION	ENTITY
1.	To prepare and report accurate fund condition statements for inclusion in the governor's budget each year, Fish and Game should ensure that staff in its budget branch follow written procedures to develop fund condition statements.	Fully Implemented	Department of Fish and Wildlife‡
2.	To prepare and report accurate fund condition statements for inclusion in the governor's budget each year, Fish and Game should train both new and existing staff on how to prepare fund condition statements for inclusion in the governor's budget.	Fully Implemented	Department of Fish and Wildlife‡
3.	To ensure that three-year projections of the spill fund's revenues, expenditures, and fund balances, all of which are used to determine fee rates, are based on accurate financial information, the spill office should develop written procedures directing staff on how to prepare the three-year projection, including steps to verify the accuracy of the financial information in the projection. In developing these procedures, the spill office should consult with Fish and Game's accounting branch and budget branch to confirm that these procedures are thorough and complete.	Fully Implemented	Department of Fish and Wildlife‡
4.	To ensure that three-year projections of the spill fund's revenues, expenditures, and fund balances, all of which are used to determine fee rates, are based on accurate financial information, the spill office should consider the reduction in the spill fund's costs, as a result of the recovery of indirect administrative costs, when projecting its fund balance moving forward.	Not Fully Implemented*	Department of Fish and Wildlife‡
5.	To prevent under- or over-recovery of federal funds, Fish and Game should regularly reassess whether using budgeted expenditures or actual expenditures will produce the most accurate results.	Not Fully Implemented*	Department of Fish and Wildlife‡
6.	To ensure that the spill office continues to work consistently with other entities to resolve issues with the use of staff and equipment and that it has the necessary resources to carry out its operations, the spill office should develop written policies and procedures with Fish and Game enforcement regarding staffing decisions.	Fully Implemented	Office of Spill Prevention and Response
7.	To ensure that the spill office continues to work consistently with other entities to resolve issues with the use of staff and equipment and that it has the necessary resources to carry out its operations, the spill office should develop written policies and procedures with Fish and Game's IT unit regarding the coordination of response to system outages.	Fully Implemented	Office of Spill Prevention and Response
8.	To ensure that the spill office continues to work consistently with other entities to resolve issues with the use of staff and equipment and that it has the necessary resources to carry out its operations, the spill office should develop written policies and procedures with the State Lands Commission (State Lands) regarding its disclosure of budget change proposals affecting the spill fund.	Fully Implemented	Office of Spill Prevention and Response
9.	To comply with state law, State Lands should develop time sheet review procedures to ensure that its employees charge the spill fund only for oil spill prevention activities and that those charges are accurate.	Fully Implemented	State Lands Commission

Report Number 2011-120

California Department of Transportation: Its Poor Management of State Route 710 Extension Project Properties Costs the State Millions of Dollars Annually, Yet State Law Limits the Potential Income From Selling the Properties **(August 2012)**

	RECOMMENDATION	STATUS OF RECOMMENDATION	ENTITY
1.	To ensure that it collects fair market rents for the SR 710 properties on the State's behalf, Caltrans should, using the fair market rent determinations for all SR 710 properties it recently prepared and excluding those in its affordable rent program, adjust the tenants' rents to fair market after providing them with proper notice.	Not Fully Implemented*	California Department of Transportation
2.	To ensure that it collects fair market rents for the SR 710 properties on the State's behalf, Caltrans should make only limited exceptions to charging fair market rent and document the specific public purpose that is served in any case that it does not charge fair market rent.	Not Fully Implemented*	California Department of Transportation
3.	To ensure that all taxable fringe benefits or gifts state employees receive are appropriately included in their gross income, Caltrans should establish procedures to notify state employees who rent SR 710 properties that they may be subject to tax implications.	Fully Implemented	California Department of Transportation
4.	To ensure that all taxable fringe benefits or gifts employees receive are appropriately included in their gross income, Caltrans should continue to work with its information technology division to generate the reports necessary for it to provide the State Controller's Office (state controller) with the value of the state housing for its employees monthly.	Fully Implemented	California Department of Transportation
5.	To ensure that all taxable fringe benefits or gifts state employees receive are appropriately included in their gross income, Caltrans should work with the state controller to identify the statute of limitations for employers to report adjustments to employee gross income to the federal Internal Revenue Service and the California Franchise Tax Board.	Fully Implemented	California Department of Transportation
6.	To ensure that all taxable fringe benefits or gifts state employees receive are appropriately included in their gross income, Caltrans should work with the state controller to identify the difference between the fair market rental value of the SR 710 housing and the rent state employees paid for that housing during the applicable calendar years related to the federal and state statute of limitations.	Fully Implemented	California Department of Transportation
7.	To ensure that all taxable fringe benefits or gifts state employees receive are appropriately included in their gross income, Caltrans should work with the state controller to determine if it needs to revise the W-2 forms for the other employees to whom Caltrans provided housing benefits, including the four employees who worked at its Chilao Maintenance Station.	Fully Implemented	California Department of Transportation
8.	To ensure that all taxable fringe benefits or gifts state employees receive are appropriately included in their gross income, Caltrans should provide information to the other state agencies so that they can submit the standard form for reporting the value of the housing provided to their employees for the applicable past calendar years to the state controller. Caltrans should continue to submit this information monthly to the applicable state agencies until the state employees are no longer renting the SR 710 properties at below-market rates.	Fully Implemented	California Department of Transportation
9.	To ensure that the affordable rent policy is enforceable and that only eligible tenants receive the benefit of the policy, Caltrans should adopt regulations in accordance with the Administrative Procedure Act (APA) if the director determines that it is appropriate to continue to offer affordable rent to certain tenants.	Not Fully Implemented*	California Department of Transportation
10.	To ensure that the affordable rent policy is enforceable and that only eligible tenants receive the benefit of the policy, Caltrans should annually review and document the tenants' household incomes using income certification forms. If tenants no longer qualify for the program because their income exceeds the income requirement or one of the income-producing tenants in the household has been replaced by a new tenant, it should increase their rent to fair market rates after giving proper notice.	Fully Implemented	California Department of Transportation
11.	To ensure that the repairs it makes to the SR 710 properties are necessary and reasonable, Caltrans should document its rationale for approving project change orders.	Fully Implemented	California Department of Transportation
12.	To ensure that the repairs it makes to the SR 710 properties are necessary and reasonable, Caltrans should conduct annual field inspections of the properties.	Fully Implemented	California Department of Transportation
13.	To ensure that the repairs it makes to the SR 710 properties are necessary and reasonable, Caltrans should discontinue performing roofing repairs on properties its roof assessments indicate are in good condition, unless a new assessment indicates a repair is needed.	Fully Implemented	California Department of Transportation

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	RECOMMENDATION	STATUS OF RECOMMENDATION	ENTITY
14.	To ensure that the repairs it makes to the SR 710 properties are necessary and reasonable, Caltrans should incorporate roof assessments as part of its annual field inspections of the properties.	Fully Implemented	California Department of Transportation
15.	To ensure that the repairs it makes to the SR 710 properties are necessary and reasonable, Caltrans should develop a written policy to ensure that it considers the cost-effectiveness of repair costs for historic and nonhistoric projects in relation to the potential rental income for the property. Such a policy should establish the maximum acceptable cost-recovery period for the amount it will spend for repairs, above which the repairs will be considered wasteful.	Fully Implemented	California Department of Transportation
16.	To ensure that the repairs it makes to the SR 710 properties are necessary and reasonable, Caltrans should establish a process to ensure it evaluates the cost-effectiveness of any repair before authorizing it.	Fully Implemented	California Department of Transportation
17.	To ensure that the repairs it makes to the SR 710 properties are necessary and reasonable, Caltrans should retain in its project files evidence to support the necessity and reasonableness of repairs, such as change orders, annual field inspections, and analyses of cost-effectiveness.	Fully Implemented	California Department of Transportation
18.	To ensure that the State achieves cost savings for the repairs made to the SR 710 properties, Caltrans should periodically perform more comprehensive analyses of viable options for repairing the properties. If Caltrans determines that General Services is the best option, it should ensure that it properly executes an interagency agreement in accordance with the *State Contracting Manual*.	Fully Implemented	California Department of Transportation
20.	To ensure that General Services performs only necessary repairs and that its costs are reasonable, Caltrans should ensure that its staff adhere to relevant contracting policies, including retaining evidence of its approval of General Services' repair work before and after the completion of a project in the project file.	Fully Implemented	California Department of Transportation
21.	To ensure that General Services performs only necessary repairs and that its costs are reasonable, Caltrans should reconcile General Services' estimates for the repair projects with the scope of work the Department of Finance (Finance) approved in the transfer request form, and, if applicable, explain any differences.	Fully Implemented	California Department of Transportation
22.	To ensure that General Services performs only necessary repairs and that its costs are reasonable, Caltrans should reconcile the actual work General Services performs to the scope of work approved in the project work plans.	Fully Implemented	California Department of Transportation
23.	To ensure that General Services performs only necessary repairs and that its costs are reasonable, Caltrans should reconcile the actual expenditures for the projects listed in the transfer request form approved by Finance and the approved budget in the project work plans with General Services' actual expenditures for each project.	Fully Implemented	California Department of Transportation
24.	To ensure that General Services performs only necessary repairs and that its costs are reasonable, Caltrans should modify its March 2012 tracking spreadsheet to ensure that it contains sufficient information for Caltrans to effectively monitor repair costs.	Fully Implemented	California Department of Transportation
39.	To comply with the 2007 court ruling and the APA until such time as the Legislature may choose to act, Caltrans should establish regulations to govern the sales process for the SR 710 properties affected by the Roberti Bill.	Not Fully Implemented*	California Department of Transportation
40.	To pursue alternatives to its management of the SR 710 properties, Caltrans should prepare a cost-benefit analysis to determine if the State would save money by hiring a private vendor to manage the properties. If such savings would occur, Caltrans should seek an exemption under Government Code, Section 19130 (a), to hire a private vendor.	Not Fully Implemented*	California Department of Transportation
41.	To pursue alternatives to its management of the SR 710 properties, Caltrans should perform an analysis to compare the cost of establishing a joint powers authority to its current costs of managing the properties.	Fully Implemented	California Department of Transportation

Report Number I2012-1

Investigations of Improper Activities by State Agencies and Employees: Bribery, Conspiracy to Commit Mail Fraud, Improper Overtime Payments, Improper Use of Lease Proceeds, Improper Travel Expenses, and Other Violations of State Law **(December 2012)**

	RECOMMENDATION	STATUS OF RECOMMENDATION	ENTITY
17.	Fish and Game should seek either corrective or disciplinary action against the supervisor for his failure to ensure that Fish and Game used lease proceeds in accordance with the terms of the lease and to ensure that these proceeds were accounted for in the State Treasury where necessary.	Fully Implemented	Department of Fish and Wildlife‡

	RECOMMENDATION	STATUS OF RECOMMENDATION	ENTITY
18.	Fish and Game should amend the terms of its leases either to require that the lessee make lease payments to the State or to include specific improvements and repairs of comparable value that the lessee must perform in lieu of making lease payments. In either instance, Fish and Game should include a provision in the lease for payment if the lessee owes money to the State at the end of the lease period. If it decides that future leases should require a lessee to make specific improvements and repairs, Fish and Game should do the following: • Develop a system to track all pertinent information related to a lessee's cost for improvements and repairs to be credited against the lease. • Require the supervisor to reconcile payment records at least annually with each lessee to ensure that the State's records are accurate and that the State receives full benefit from leasing the state property.	Fully Implemented	Department of Fish and Wildlife‡
19.	Fish and Game should provide training to those involved with the lease to ensure that it properly accounts for and reconciles future work and payments related to the leased property, that it does not pay operational and equipment expenses with proceeds derived from the lease, and that all parties understand what work Fish and Game expects as the result of the agreement.	Partially Implemented	Department of Fish and Wildlife‡
21.	Resources should designate the employee's headquarters as Resources headquarters in Sacramento.	Fully Implemented	California Natural Resources Agency
22.	Resources should discontinue reimbursing employees improperly for their commute-related expenses and lodging and for meal expenses incurred within 50 miles of their headquarters.	Fully Implemented	California Natural Resources Agency

Report Number 2012-104

Southeastern Los Angeles County: Various Reasons Affect the Rates Water Suppliers Charge and the Rate Increases They Have Imposed **(January 2013)**

	RECOMMENDATION	STATUS OF RECOMMENDATION	ENTITY
1.	To ensure that it can meet the burden of proof that its water fees comply with Article XIII D of the California Constitution, Downey should be able to provide, upon request, documentation that all transfers out of the Water Fund are for water-related purposes. Such documentation should be sufficiently detailed and understandable to the layperson. (See 2012-104, p. 38)	Fully Implemented	Downey Department of Public Works

Report Number 2012-121.1

Department of Parks and Recreation: Weak Procedures Have Led to Inconsistent Budgetary Reporting and Difficulties in Measuring the Impact of Efforts to Keep Parks Open **(February 2013)**

	RECOMMENDATION	STATUS OF RECOMMENDATION	ENTITY
1.	To ensure that it reports consistent amounts to Finance and the State Controller, the department's budget office should develop and implement detailed procedures that describe how to use the year-end financial statements to report prior-year accounting information to Finance. These procedures should include steps to ensure that the ending fund balances reported in the most recent governor's budget and the State Controller's budgetary report agree, and that the subsequent year's beginning fund balances in the governor's budget do not carry forward any differences.	Partially Implemented	Department of Parks and Recreation
2.	The department's executive management should monitor the budget process closely to prevent any future variances from established policies and procedures designed to ensure accurate reporting.	Partially Implemented	Department of Parks and Recreation
4.	To ensure that any significant changes affecting fund balances proposed by Finance for presentation in the governor's budget are presented accurately and transparently, the department should develop procedures to require higher-level review and approval of such changes by its chief deputy director, director, and potentially the secretary for the Natural Resources Agency. The department should identify levels of significance for the proposed changes in fund balances that would trigger seeking these higher-level approvals.	Partially Implemented	Department of Parks and Recreation
5.	To ensure accurate reporting of expenditures and prior-year adjustment amounts to Finance for the governor's budget, the department's budget office should continue its planned efforts to establish policies and procedures. These procedures should include specific steps to identify, investigate, resolve, and document differences in reporting by the budget and accounting offices.	Partially Implemented	Department of Parks and Recreation

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	RECOMMENDATION	STATUS OF RECOMMENDATION	ENTITY
7.	To ensure that it adheres to the statutory requirement to reduce services or close parks to achieve any required budget reductions in the future, the department should determine the amount necessary to fully operate its 278 parks at the 2010 level. Moreover, the department should document its calculations and ensure that they include all costs associated with the operation of parks in 2010.	Partially Implemented	Department of Parks and Recreation
8.	To address the possibility of any future park service reductions or closures, the department should develop a detailed process for evaluating the criteria that it must consider in selecting parks for reduced services or park closures. To ensure transparency to the public and to demonstrate that it followed its process, the department should also document the details of its analyses that support its selection of parks for reduced services or closures.	Pending	Department of Parks and Recreation
9.	To assure the Legislature and the public that future proposed park service reductions and closures are appropriate to achieve any required budget reduction, the department should develop individual park operating costs and update these costs periodically. These individual park costs should include all direct and indirect costs associated with operating the park, and the aggregated costs of all the individual parks should correspond with the related fiscal year's actual expenditures needed to operate the department's park system. Additionally, when proposing park service reductions or closures in the future, the department should compare the most recent cost estimates to the amount the department determines is necessary to fully operate its 278 parks at the 2010 level to determine the actual amount of the reductions or closures needed.	Partially Implemented	Department of Parks and Recreation

Report Number I2009-0640

California Department of Transportation: Caltrans Employees Engaged in Inexcusable Neglect of Duty, Received Overpayment for Overtime, Falsified Test Data, and Misappropriated State Property **(March 2013)**

	RECOMMENDATION	STATUS OF RECOMMENDATION	ENTITY
1.	To address the false claims for overtime and differential work hours submitted by Technician A and approved by his supervisor, we recommend that Caltrans seek $6,834 in reimbursement from Technician A for the overtime and pay differential payments that he received improperly.	Resolved	California Department of Transportation
2.	To address the false claims for overtime and differential work hours submitted by Technician B and approved by his supervisor, we recommend that Caltrans seek $6,954 in reimbursement from Technician B for the overtime and pay differential payments that he received improperly.	Resolved	California Department of Transportation
3.	To address the false claims for overtime and differential work hours submitted by technicians A and B and approved by their supervisor, we recommend that Caltrans establish a system to enforce the requirement that specific overtime hours be preapproved for an employee to be compensated for the hours.	Fully Implemented	California Department of Transportation
4.	To address the false claims for overtime and differential work hours submitted by technicians A and B and approved by their supervisor, we recommend that Caltrans reinforce with Caltrans supervisors that they have a duty to verify that overtime and specially compensated work actually has been performed prior to authorizing payment for the work.	Fully Implemented	California Department of Transportation
5.	To address the false claims for overtime and differential work hours submitted by technicians A and B and approved by their supervisor, we recommend that Caltrans require the hours of overtime and differential work claimed by an employee to be matched with specific projects before they are approved for payment to help ensure that the hours claimed are legitimate.	Fully Implemented	California Department of Transportation
6.	To address the lack of controls that allowed the falsification of gamma gamma logging testing data by Technician A and the engineer, we recommend that Caltrans require that Foundation Testing Branch technicians submit to an engineer both the raw data file and log ASCII data file for every gamma gamma logging test performed for a project to help ensure that testing data has not been falsified.	Fully Implemented	California Department of Transportation
7.	To address the lack of controls that allowed the falsification of gamma gamma logging testing data by Technician A and the engineer, we recommend that Caltrans implement the recommendations of the GAMDAT peer reviewers intended to improve the gamma gamma logging testing procedures of the Foundation Testing Branch.	Fully Implemented	California Department of Transportation

	RECOMMENDATION	STATUS OF RECOMMENDATION	ENTITY
8.	To address the lack of controls that allowed the falsification of gamma gamma logging testing data by Technician A and the engineer, we recommend that Caltrans implement any recommendations made by the GAMDAT team intended to strengthen the integrity of the gamma gamma logging testing performed by the Foundation Testing Branch.	Partially Implemented	California Department of Transportation
9.	To address the lack of controls that allowed the falsification of gamma gamma logging testing data by Technician A and the engineer, we recommend that Caltrans implement a policy to ensure that engineers perform analyses on properly collected data and do not misrepresent gamma gamma logging test results.	Fully Implemented	California Department of Transportation
10.	To address the misappropriation of state property by the supervisor, we recommend that Caltrans obtain an estimate of the value of the materials the supervisor removed from Caltrans facilities and placed on his property (aside from the steel beams) as well as the value of the state employee time spent refashioning and transporting those materials.	Partially Implemented	California Department of Transportation
11.	To address the misappropriation of state property by the supervisor, we recommend that Caltrans seek reimbursement from the supervisor for the $2,000 cost of transporting the steel beams that he placed on his land back to a Caltrans facility.	Partially Implemented	California Department of Transportation
12.	To address the misappropriation of state property by the supervisor, we recommend that Caltrans seek reimbursement from the supervisor for the cost of the Caltrans materials (aside from the steel beams) that he transported to his land and the cost of the state employee time spent transporting and refashioning those materials.	Partially Implemented	California Department of Transportation
13.	To address the misappropriation of state property by the supervisor, we recommend that Caltrans establish controls to ensure that materials intended for a construction project are tracked properly, and that when materials intended for a federal highway project are not used for the project, the materials are reused for other federal projects or returned to the Highway Administration.	Partially Implemented	California Department of Transportation
14.	To address the misappropriation of state property by the supervisor, we recommend that Caltrans establish controls to ensure that scrap materials are recycled and not taken for personal use by Caltrans employees.	Fully Implemented	California Department of Transportation

Report Number 2012-110

Special Interest License Plate Funds: The State Has Foregone Certain Revenues Related to Special Interest License Plates and Some Expenditures Were Unallowable or Unsupported **(April 2013)**

	RECOMMENDATION	STATUS OF RECOMMENDATION	ENTITY
1.	To ensure that programs supported by special plates receive appropriate amounts of revenues due to them, Motor Vehicles should annually collect all fees for special plates that are no longer on a vehicle but are retained by the plate owner.	Pending	Department of Motor Vehicles
2.	Motor Vehicles should ensure that the fees it lists in its application for special plates, as well as any other publications, are supported by the appropriate statutes.	Pending	Department of Motor Vehicles
3.	Motor Vehicles should assess the extent to which it has charged fees for special plates that are not consistent with those prescribed in statutes and take appropriate action.	Pending	Department of Motor Vehicles
4.	To ensure that it accurately recovers its administrative costs related to special plates, Motor Vehicles should continue to annually calculate the administrative costs for the plates when recovering these costs for the personalized plates through the State's budget process.	Pending	Department of Motor Vehicles
5.	Motor Vehicles should periodically assess the cost and benefits of updating its automated systems to reflect current per-plate administrative costs. If Motor Vehicles determines that doing so is cost-effective, it should update its automated systems to reflect the up-to-date administrative costs for all these plates.	Pending	Department of Motor Vehicles
14.	To make certain that money from the special plate funds pay only for allowable and supportable activities, Parks and Recreation should ensure that environmental fund money budgeted to its offices is supported by the proportion of the offices' activities that state law allows.	Pending	Department of Parks and Recreation

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	RECOMMENDATION	STATUS OF RECOMMENDATION	ENTITY
15.	To make certain that money from the special plate funds pay only for allowable and supportable activities, Resources should use all appropriate funding sources to pay for any expenses that benefit multiple programs in proportion to the benefits these programs actually receive. Further, it should ensure that its allocation of such expenses to different funds is equitable and supported.	Will Not Implement	California Natural Resources Agency
16.	To ensure that the governor and Legislature have sufficient and appropriate information with which to make decisions on the most effective use of environmental fund money, Resources should submit to the governor and Legislature the annual and triennial reports containing the information that state law requires.	Pending	California Natural Resources Agency

Report Number 2012-120

State Water Resources Control Board: It Should Ensure a More Consistent Administration of the Water Quality Certification Program **(June 2013)**

	RECOMMENDATION	STATUS OF RECOMMENDATION	ENTITY
1.	To ensure that regional water boards, as well as the state water board itself, follow a more consistent process when reviewing water quality applications and issuing certifications, and to comply with state and federal requirements, the state water board should remind regional water boards of required application processing time frames and notifications.	Partially Implemented	Water Resources Control Board
2.	The state water board should also continue with its effort to adopt a single application form for the certification program.	Partially Implemented	Water Resources Control Board
3.	To ensure that applicants pay the correct fee amounts for the certification program, the state water board should direct North Coast as well as the other regional water boards to verify the accuracy of fees that applicants submit to them.	Partially Implemented	Water Resources Control Board
4.	North Coast should continue with its plans to collect from Caltrans the underpayment of application fees and to reimburse the overpayment of application fees that we identified. It should also consider reviewing a selection of past application fees it received from Caltrans to determine if other errors exist.	Partially Implemented	Water Resources Control Board
5.	The state water board should direct regional water boards to more consistently monitor compliance with water quality certifications and use the water quality database to track their monitoring efforts.	Pending	Water Resources Control Board
6.	When regional water boards include staff enforcement costs in the penalty actions they issue, the state water board should require that they use a systematic method for tracking the hours staff spend on enforcement activities related to penalty actions and maintain documentary support for these staff enforcement cost calculations.	Pending	Water Resources Control Board
7.	If regional water boards continue to include staff enforcement costs in the penalty actions they issue, the state water board should revise its staff cost rate to reflect actual staff salaries and overhead cost for the certification program.	Pending	Water Resources Control Board
8.	To ensure that it accurately records and uses fines it collects for violations of water quality certifications, the state water board should maintain a regular accounting of these fines.	Partially Implemented	Water Resources Control Board
9.	To improve its ability to allocate adequate resources to the certification program and better assess whether its budget is sufficient for program operations, the state water board should instruct regional water boards to accurately track staff time spent on the certification program.	Pending	Water Resources Control Board
10.	If Caltrans believes that responding to the monitoring requirements and enforcement actions related to the certification program is too costly, it should begin to gather and track these costs using its accounting system. Once it has tracked these costs for a period of time, Caltrans should analyze whether these monitoring and enforcement activities are, in fact, too costly and work with the state and regional water boards to resolve how these costs might be better contained.	Pending	California Department of Transportation
11.	Because the water quality database is the primary system for meeting statutory reporting obligations for the certification program, the state water board should resolve its data entry backlog and ensure that the regional water boards enter all relevant information into the system, including information about the applications received, the certifications issued, monitoring activities, water quality violations, and enforcement actions.	Fully Implemented	Water Resources Control Board

Report Number 2012-121.2

Department of Parks and Recreation: Flaws in Its Budget Allocation Processes Hinder Its Ability to Effectively Manage the Park System
(September 2013)

	RECOMMENDATION	STATUS OF RECOMMENDATION	ENTITY
1.	To ensure that districts receive timely budget allocations, the department should establish and implement a formal allocation process by January 2014 that includes the following: • A timeline that mirrors the State's budget process and describes when the department will provide park districts with draft allocations, revisions to draft allocations, and final allocations. • A description of the roles and responsibilities of key staff involved in the process, including budget office staff, the deputy directors and division chiefs for park operations and the Off-Highway Motor Vehicle Recreation division, and district superintendents.	Partially Implemented	Department of Parks and Recreation
2.	To reduce duplicate expenditure tracking and increase the effectiveness of its budget process, the department should develop procedures requiring the districts to prepare and submit spending plans and to periodically submit their total expenditures after reconciling them with the Fiscal Tracking System. The procedures should specify how often districts should provide this information to the department to ensure that the budget office and park management can appropriately oversee the districts' budgets and spending.	Partially Implemented	Department of Parks and Recreation
3.	To ensure that it can comply with state law in the event that it must close parks or reduce park services in the future, the department should improve its methodology for developing individual park unit budgets and determining and tracking park-level costs. Specifically, the department should update its description of phase one to adequately explain how it will reconcile individual park costs for fiscal year 2010–11 to the department's total actual expenditures to operate the parks.	Pending	Department of Parks and Recreation
4.	To ensure that it can comply with state law in the event that it must close parks or reduce park services in the future, the department should improve its methodology for developing individual park unit budgets and determining and tracking park-level costs. Specifically, the department should develop specific time frames and deliverables for the completion of phases two and three of its plan. These time frames should include specific completion dates for each key component of the phases.	No Action Taken	Department of Parks and Recreation
5.	To ensure that it can comply with state law in the event that it must close parks or reduce park services in the future, the department should improve its methodology for developing individual park unit budgets and determining and tracking park-level costs. Specifically, the department should provide training as soon as possible to park operations staff to ensure that they consistently collect the data necessary for phase two.	Pending	Department of Parks and Recreation
6.	To ensure that it can comply with state law in the event that it must close parks or reduce park services in the future, the department should improve its methodology for developing individual park unit budgets and determining and tracking park-level costs. Specifically, the department should determine how it will define service levels and measure whether those levels are being met so it can provide budgets for each park unit, as phase three of its process requires.	Pending	Department of Parks and Recreation
7.	To ensure that the Legislature has the information necessary to make any future decisions related to service reductions or park closures, beginning in fiscal year 2014–15 the department should provide it with an annual report that details the costs to operate each park unit.	Pending	Department of Parks and Recreation
8.	To prevent unauthorized leave buyback transactions, the department should provide training by December 2013 to all department managers and personnel staff who might be involved in leave buyback transactions to ensure that they understand the State's requirements regarding leave buybacks.	Pending	Department of Parks and Recreation
9.	To prevent unauthorized leave buyback transactions, the department should establish written policies and procedures requiring the personnel office's transactions unit to obtain documentation from managers who request leave buyback transactions. The documentation should specify the authority for the leave buyback and include appropriate authorizing signatures.	Pending	Department of Parks and Recreation
10.	To prevent unauthorized leave buyback transactions, the department should increase the level of supervisory review to ensure that transactions unit staff process only authorized and properly coded leave buyback transactions.	Pending	Department of Parks and Recreation

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	RECOMMENDATION	STATUS OF RECOMMENDATION	ENTITY
11.	To prevent unauthorized leave buyback transactions, the department should limit access for keying transactions to the payroll system only to authorized personnel staff.	Pending	Department of Parks and Recreation
12.	To improve the effectiveness of the Executive Personnel Review Committee (EPRC), the department should update its administrative manual by March 2014 to specify the members of the EPRC, the members' roles and responsibilities, and the personnel actions that the EPRC is responsible for reviewing.	Partially Implemented	Department of Parks and Recreation
13.	To improve the effectiveness of the EPRC, the department should establish policies and procedures by March 2014 to govern the EPRC's decisions on personnel actions. These policies and procedures should include the specific factors and their relative importance that the members must consider when making decisions and should require the EPRC to document its decisions and the reasons for those decisions.	Partially Implemented	Department of Parks and Recreation
14.	To improve the effectiveness of the EPRC, by March 2014, the department should require the EPRC to periodically provide a summary report of its decisions to the director's office so that the director can monitor whether those decisions are consistent with his priorities.	Partially Implemented	Department of Parks and Recreation
15.	To improve the effectiveness of the EPRC, the department should establish a process by March 2014 through which the director's office provides formal direction to the EPRC regarding staffing priorities.	Partially Implemented	Department of Parks and Recreation
16.	To ensure that its position control unit staff do not circumvent state law to preserve vacant positions, the department should establish procedures that include a process to periodically review any personnel transactions that are not subject to EPRC review. It should provide a summary report of this review to the director's office and the EPRC.	Pending	Department of Parks and Recreation

Report Number 2013-107

Accounts Outside the State's Centralized Treasury System: Processes Exist to Safeguard Money, but Controls for These Accounts Need Strengthening **(October 2013)**

	RECOMMENDATION	STATUS OF RECOMMENDATION	ENTITY
8.	To safeguard cost recovery program revenue, Cal Fire should, within the next six months, implement adequate segregation of duties for its cost recovery program revenues. For example, it should require that cost recovery payments be mailed to its accounting office, as are other payments.	Pending	Department of Forestry and Fire Protection
9.	To safeguard cost recovery program revenue, Cal Fire should, within the next six months, develop policies and procedures requiring personnel not affiliated with the cost recovery program to reconcile expected cost recovery payments to deposits.	Pending	Department of Forestry and Fire Protection
10.	To safeguard cost recovery program revenue, Cal Fire should, within the next six months, develop a process to track civil cost recovery cases statewide to monitor compliance with policies as well as monitor collection status.	Pending	Department of Forestry and Fire Protection
11.	Cal Fire should continue its efforts to determine what happened to the $13,470 check that was not deposited in the Wildland Fire Fund.	Pending	Department of Forestry and Fire Protection
12.	To ensure that it possesses all equipment purchased with Wildland Fire Fund money, Cal Fire should compile a complete list of equipment purchased with these funds and reconcile it to the attorneys association's accounting records.	Pending	Department of Forestry and Fire Protection
13.	To ensure that it possesses all equipment purchased with Wildland Fire Fund money, Cal Fire should tag all equipment purchased through the Wildland Fire Fund.	Partially Implemented	Department of Forestry and Fire Protection
14.	To ensure that it possesses all equipment purchased with Wildland Fire Fund money, Cal Fire should perform a periodic inventory of equipment.	Partially Implemented	Department of Forestry and Fire Protection

Report Number 2013-101

Salton Sea Restoration Fund: The State Has Not Fully Funded a Restoration Plan and the State's Future Mitigation Costs Are Uncertain **(November 2013)**

	RECOMMENDATION	STATUS OF RECOMMENDATION	ENTITY
6.	To ensure that the Legislature has the information necessary to meet the State's restoration goals and to plan for the State's future financial obligations related to mitigation, the Resources Agency should work with Fish and Wildlife and Water Resources to provide a written report to the Legislature on its recommendations for the content of the feasibility study no later than February 1, 2014. It should include in the report the State's progress to date on the Habitat Project.	Pending†	California Natural Resources Agency
7.	To ensure that the Legislature has the information necessary to meet the State's restoration goals and to plan for the State's future financial obligations related to mitigation, the Resources Agency should work with Fish and Wildlife and Water Resources to meet with the Legislature regularly to provide updates on the status of its restoration efforts and the feasibility study to ensure that the Legislature has the information necessary to make funding and other informed decisions.	Pending†	California Natural Resources Agency
8.	To ensure that the Legislature has the information necessary to meet the State's restoration goals and to plan for the State's future financial obligations related to mitigation, the Resources Agency should work with Fish and Wildlife and Water Resources to develop an estimate of the costs, adjusted for inflation, that the State may incur for fulfilling its financial obligations related to mitigation under the QSA. The Resources Agency should include this information in the feasibility study so the Legislature is fully aware of the estimated costs and timing of the State's future financial obligations.	Pending†	California Natural Resources Agency

Assembly Budget Subcommittee 4: State Administration

Report Number 2011-504

High-Speed Rail Authority Follow-Up: Although the Authority Addressed Some of Our Prior Concerns, Its Funding Situation Has Become Increasingly Risky and the Authority's Weak Oversight Persists **(January 2012)**

	RECOMMENDATION	STATUS OF RECOMMENDATION	ENTITY
24.	To ensure that the Authority is complying with state contracting rules and is following the guidelines of the *State Contracting Manual*, General Services should conduct a procurement audit of the Authority by January 1, 2013.	Fully Implemented	Department of General Services

Report Number 2011-103

California's Mutual Aid System: The California Emergency Management Agency Should Administer the Reimbursement Process More Effectively **(January 2012)**

	RECOMMENDATION	STATUS OF RECOMMENDATION	ENTITY
1.	To make certain that emergency response agencies receive reimbursements on time, Cal EMA should establish procedures to ensure that paying entities do not delay reimbursements.	Not Fully Implemented*	Emergency Management Agency
2.	To ensure that it receives reimbursements on time, Cal EMA should identify ways to reduce the amount of time it takes to submit project worksheets to the Federal Emergency Management Agency (FEMA) and to draw down funds.	Fully Implemented	Emergency Management Agency
3.	To ensure that it receives reimbursements on time, Cal EMA should establish procedures for submitting project worksheets to FEMA and drawing down funds that reflect the time-saving measures resulting from its efforts to implement recommendation 2.	Fully Implemented	Emergency Management Agency
4.	To make certain that local agencies calculate correctly their average actual hourly rates, Cal EMA should audit a sample of invoices each year and include in the review an analysis of the accuracy of the local agencies' average actual hourly rates reported in the agencies' salary surveys.	Not Fully Implemented*	Emergency Management Agency

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	RECOMMENDATION	STATUS OF RECOMMENDATION	ENTITY
5.	To make certain that local agencies calculate correctly their average actual hourly rates, if Cal EMA determines that the local agencies' rates are incorrect, it should advise the agencies to recalculate the rates reported in their salary survey. Local agencies that fail to submit accurate average actual hourly rates should be subject to the base rates.	Not Fully Implemented*	Emergency Management Agency
6.	To make certain that local agencies calculate correctly their average actual hourly rates, if Cal EMA does not believe that it has the statutory authority and resources to audit the average actual hourly rates reported in the local agencies' salary surveys, it should either undertake the necessary steps to obtain both the authority and the necessary resources or obtain statutory authority to request that the State Controller's Office perform the audits.	Resolved	Emergency Management Agency
7.	If FEMA determines that the calculations and claims identified in the Office of Inspector General's audit report were erroneous, Cal EMA should modify the time sheets to track the actual hours that the responding agency works as well as the dates and times that the agency committed to the incident and returned from the incident.	Not Fully Implemented*	Emergency Management Agency
8.	If FEMA determines that the calculations and claims identified in the Office of Inspector General's audit report were erroneous, Cal EMA should ensure that the replacement for its current invoicing system can calculate the maximum number of reimbursable personnel hours under both FEMA's policy and the California Fire Assistance Agreement.	Not Fully Implemented*	Emergency Management Agency

Report Number 2011-111

Federal Workforce Investment Act: More Effective State Planning and Oversight Is Necessary to Better Help California's Job Seekers Find Employment **(March 2012)**

	RECOMMENDATION	STATUS OF RECOMMENDATION	ENTITY
1.	To make certain that the state board meets the Workforce Investment Act (WIA) requirement that a majority of the members are representatives of California businesses, the labor agency should continue working with the Governor's Office to identify and appoint a sufficient number of business representatives to the state board as soon as possible.	Fully Implemented	Labor and Workforce Development Agency
2.	To assist the governor in the development, oversight, and continuous improvement of California's workforce investment system, the state board should collaborate with state and local workforce investment partners to promptly develop and implement a strategic workforce plan as state law requires. The strategic plan should include, at a minimum, the following elements: clear roles and responsibilities pertaining to the state board, EDD, and other state and local workforce partners; clear definitions for terminology used in the strategic plan, such as quality services; performance measures that are specific to California for evaluating the efficiency and effectiveness of WIA-funded programs and activities; and procedures for approving the addition of data elements to EDD's Web-based system and for the exchange of data between EDD and the state board to facilitate the development and implementation of performance measures that are specific to California.	Not Fully Implemented*	California Workforce Investment Board
3.	To assist the governor in the development, oversight, and continuous improvement of California's workforce investment system, the state board should continue to exercise its legal authority to review the local boards' plans to, among other things, assure the coordination and nonduplication of services to program participants.	Not Fully Implemented*	California Workforce Investment Board
4.	To assist the state board and other workforce investment partners in the development and implementation of state-specific performance measures, EDD should ensure that it works with the state board to develop procedures for approving the addition of data elements to its Web-based system and for the exchange of data between EDD and the state board.	Not Fully Implemented*	Employment Development Department
5.	To comply with WIA requirements and eliminate the State's risk of losing funds, EDD should ensure that it awards rapid-response funding for additional assistance only to local boards or community-based organizations that demonstrate that their local areas experience natural disasters, mass layoffs, plant closings, or other dislocation events when such events substantially increase the number of unemployed individuals.	Fully Implemented	Employment Development Department
6.	To ensure that the State maximizes federal funding opportunities related to workforce investment, EDD should update its written policy to include, at a minimum, the following procedures: the methods it will use to identify federal grant opportunities, the factors it will consider in its decision to pursue or forego applying for these grants, and the process by which it will document its final decision to either pursue or forego the grant opportunity.	Fully Implemented	Employment Development Department

RECOMMENDATION	STATUS OF RECOMMENDATION	ENTITY
7. To ensure that the State maximizes federal funding opportunities related to workforce investment, EDD should implement the updated policy as soon as practicable.	Fully Implemented	Employment Development Department

Report Number 2011-116.2

Department of General Services: Strengthening the Division of the State Architect's Workload Management and Performance Measurements Could Help It Avoid Delays in Processing Future Increases in Workload **(May 2012)**

RECOMMENDATION	STATUS OF RECOMMENDATION	ENTITY
1. To better gauge the timeliness of its plan review and better communicate with design professionals, the division should develop goals for the time spent on the plan review phase, in the style of those used by the Office of Statewide Health Planning and Development, and measure and report its success at meeting these goals.	Fully Implemented	Department of General Services
2. In order to avoid delays in plan review, the division should develop a policy that defines when it will expedite plan review using its statutory authority to contract for additional plan review resources.	Fully Implemented	Department of General Services
3. To more accurately report on its plan review activities to stakeholders and provide relevant information to management, the division should provide current information on its performance, by phase, at the time of the reporting period.	Fully Implemented	Department of General Services
4. To more accurately report on its plan review activities to stakeholders and provide relevant information to management, the division should exclude zero values from its calculations related to projects that did not have activity in a particular phase.	Fully Implemented	Department of General Services
5. To more accurately report on its plan review activities to stakeholders and provide relevant information to management, the division should exclude projects from client phase calculations that were not returned to the division for back check within the division's deadlines.	Fully Implemented	Department of General Services
6. To appropriately oversee changes to approved plans, the division should develop policies and procedures to ensure that it receives all relevant plan changes.	Fully Implemented	Department of General Services
7. To appropriately oversee changes to approved plans, the division should develop policies and procedures to ensure that it reviews and approves all relevant plan changes before the start of related construction.	Fully Implemented	Department of General Services
8. To appropriately oversee changes to approved plans, the division should develop policies and procedures to ensure that it documents its approval of all relevant plan changes.	Fully Implemented	Department of General Services
9. To ensure that the division performs a final review in all disciplines, the division should require and provide a means for recording final plan review of fire and life safety and access compliance-related work in the database.	Fully Implemented	Department of General Services
10. To ensure that staff are current on building standards, the division should document its staff's participation in building standards update trainings by maintaining attendance rosters.	Fully Implemented	Department of General Services

Report Number 2011-119

Physical Therapy Board of California: Although It Can Make Improvements, It Generally Processes Complaints and Monitors Conflict-of-Interest Requirements Appropriately **(June 2012)**

RECOMMENDATION	STATUS OF RECOMMENDATION	ENTITY
1. The physical therapy board should explore the feasibility of establishing a state position to perform the duties of its current in-house consultant at a reduced cost.	Not Fully Implemented*	Physical Therapy Board
2. To make certain that it provides effective services to consumers, the physical therapy board should develop a means of formally evaluating its expert consultants against performance measures and benchmarks. Furthermore, the physical therapy board should conduct these evaluations regularly and document them fully.	Fully Implemented	Physical Therapy Board

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	RECOMMENDATION	STATUS OF RECOMMENDATION	ENTITY
3.	Consumer Affairs should establish procedures for ensuring that board members attend board member orientation and that those individuals and other designated employees receive all required ethics training. In addition, Consumer Affairs should adhere to the record retention period of five years specified by law for the certificates documenting that designated employees received ethics training.	Not Fully Implemented*	Physical Therapy Board
4.	To ensure that board members disclose in a timely manner potential conflicts of interest on their Form 700s, the physical therapy board should notify Consumer Affairs' filing officer promptly when board members are appointed or when they indicate that they intend to leave office.	Fully Implemented	Physical Therapy Board

Report Number 2011-131

City of Vernon: Although Reform Is Ongoing, Past Poor Decision Making Threatens Its Financial Stability **(June 2012)**

	RECOMMENDATION	STATUS OF RECOMMENDATION	ENTITY
1.	To increase accountability and transparency in its governance, the city should ensure that specific reforms are appropriately implemented. Specifically, it should develop an implementation plan containing sufficient detail to establish the activities and coordination required to successfully implement an alternative new employment system so that its nonunion employees are no longer at-will employees of the city council.	Fully Implemented	City of Vernon
2.	To increase accountability and transparency in its governance, the city should determine whether it will continue to own housing and communicate its decision to the public as soon as appropriate. Should the city decide to retain ownership of the housing, it should continue the effort to develop policies and procedures that are necessary to ensure fairness and impartiality in its management of city-owned housing.	Fully Implemented	City of Vernon
3.	To increase accountability and transparency in its governance, the city should continue the effort to develop a comprehensive plan to construct additional housing in the city.	Fully Implemented	City of Vernon
4.	To increase accountability and transparency in its governance, the city should develop a formal policy that describes the circumstances under which revenues can be transferred from its power department, and the limits and permissible uses of transferred revenue.	No Action Taken	City of Vernon
5.	To ensure that it develops complete and appropriate personnel policies and procedures, the city should continue its efforts to hire an experienced human resources director.	Fully Implemented	City of Vernon
6.	To ensure that it develops complete and appropriate personnel policies and procedures, the new human resources director should ensure that the city's policies and procedures include, at a minimum, requirements for performing and documenting the analyses and justifications for appointments, including promotions, to management positions.	Partially Implemented	City of Vernon
7.	To ensure that it develops complete and appropriate personnel policies and procedures, the new human resources director should ensure that the city's policies and procedures include, at a minimum, requirements for minimum qualifications, desirable qualifications, and job duties for all city executive positions.	Partially Implemented	City of Vernon
8.	To ensure that it develops complete and appropriate personnel policies and procedures, the new human resources director should ensure that the city's policies and procedures include, at a minimum, a periodic appraisal process for executives.	Partially Implemented	City of Vernon
9.	To ensure that it develops complete and appropriate personnel policies and procedures, the new human resources director should ensure that the city's policies and procedures include, at a minimum, an improved methodology for and analysis of future salary surveys, ensuring that they are performed by staff or a consultant with experience and expertise in the area of salary surveys.	Partially Implemented	City of Vernon
10.	The city should determine whether employees have a vested right to longevity payments and whether it can legally reduce or discontinue the original longevity program as a means to reduce its costs.	Partially Implemented	City of Vernon
11.	To ensure accurate reporting and payment of retirement benefits, the city should work with the California Public Employees' Retirement System (CalPERS) to resolve the reported findings and observation noted in CalPERS April 2012 audit report within a reasonable period of time.	Partially Implemented	City of Vernon
12.	To better control contract expenditures and ensure that it receives the best value for the services it purchases, the city should require that all city contracts be entered into its enterprise resource planning (ERP) system so that the contract managers and the city can more efficiently and effectively track the city's contract expenditures.	Fully Implemented	City of Vernon

	RECOMMENDATION	STATUS OF RECOMMENDATION	ENTITY
13.	To better control contract expenditures and ensure that it receives the best value for the services it purchases, the city should also begin using the ERP system's uniquely assigned contract numbers for tracking and generating a list of contracts.	Fully Implemented	City of Vernon
14.	To better control contract expenditures and ensure that it receives the best value for the services it purchases, the city should require all contracts to have expenditure limits and starting and ending dates for services performed.	Fully Implemented	City of Vernon
15.	To better control contract expenditures and ensure that it receives the best value for the services it purchases, the city should require contract managers to use logs to monitor payments and the contractor's progress toward completion of required deliverables.	Fully Implemented	City of Vernon
16.	To better control contract expenditures and ensure that it receives the best value for the services it purchases, the city should require that all contracts contain a well-defined scope of work and deliverables that a sufficiently detailed invoice can be measured against.	Partially Implemented	City of Vernon
17.	To better control contract expenditures and ensure that it receives the best value for the services it purchases, the city should ensure that contracts include language requiring contractors to provide invoices with sufficient detail so that contract managers can determine whether the services provided are consistent with the scope of work.	Fully Implemented	City of Vernon
18.	To better control contract expenditures and ensure that it receives the best value for the services it purchases, the city should also require the finance department to review invoices to identify those that lack sufficient detail and return such invoices to the appropriate contract manager to obtain a revised invoice that is sufficiently detailed.	Partially Implemented	City of Vernon
19.	To better control contract expenditures and ensure that it receives the best value for the services it purchases, the city should continue its efforts to develop and implement policies and procedures for a competitive bidding process, including clearly defining the circumstances under which forgoing competitive bidding is appropriate.	Fully Implemented	City of Vernon
20.	To the extent that the city implements policies that affect contracts, the city should also ensure that it reviews all current contracts and amends them, if necessary, to comply with newly established policies.	Partially Implemented	City of Vernon
21.	To improve its internal controls, better control costs, and prevent abuse from occurring, the city should require the finance department to review credit card expenditures for appropriateness.	No Action Taken	City of Vernon
22.	To improve its internal controls, better control costs, and prevent abuse from occurring, the city should revise its travel and expense reimbursement policy to be clear about the expenditure limits for meals, and add a limit for lodging accommodations.	No Action Taken	City of Vernon
23.	To comply with the Political Reform Act, the city should ensure that the city administrator and city clerk are appropriately trained to administer its conflict-of-interest code.	Fully Implemented	City of Vernon
24.	To comply with the reform act, the city should continue to ensure that all city executives file statements of economic interests, as its conflict code requires.	Fully Implemented	City of Vernon
25.	To comply with the reform act, with regard to consultants, the city should review its existing contracts and have the city administrator determine which consultants should file statements of economic interests. The city should retain documentation of the city administrator's determinations and also forward them to the city council for review.	Fully Implemented	City of Vernon
26.	To comply with the reform act, the city should ensure that any consultants identified by the city administrator as needing to file statements of economic interests submit the forms as soon as possible.	Fully Implemented	City of Vernon
27.	To address the structural deficit in its general fund, the city should seek long-term solutions to balance the general fund's expenditures and revenues and lessen its reliance on transfers from other city funds. These solutions could include revenue increases, such as the proposed increased and new parcel tax, as well as looking for ways to reduce expenditures.	Partially Implemented	City of Vernon
28.	The city should clearly present the general fund structural deficit to the city council and the public in a budget that includes narrative and summary information to help users understand the city's budget process and its priorities and challenges, and that incorporates the elements for improved budgeting practices recommended by the Government Finance Officers Association (GFOA).	Partially Implemented	City of Vernon
29.	To better guide its budget preparation and improve transparency, the city should develop budget policies, particularly for long-term planning, that incorporate the elements that the GFOA recommends and make these policies available to the public on its Web site.	No Action Taken	City of Vernon

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	RECOMMENDATION	STATUS OF RECOMMENDATION	ENTITY
30.	The city should ensure that its budgets include the information required in the city code.	Fully Implemented	City of Vernon
31.	The city should improve the monitoring of expenditures against the approved budget by establishing a centralized process to regularly monitor and report to the city administrator and the city council on the status of the budget.	Partially Implemented	City of Vernon
32.	To ensure that it issues debt when doing so is in the best interests of the city and is consistent with its long-term financial goals, the city should establish a comprehensive debt policy that includes the elements that the GFOA recommends and make the debt policy it establishes available on its Web site.	No Action Taken	City of Vernon
33.	To ensure that the city council and public are well informed regarding proposed debt decisions, the city should provide summary information that clearly explains the costs, risks, and benefits related to the proposed decisions in its agenda packets, and should provide these in advance on its Web site.	Pending	City of Vernon
34.	To ensure that it can demonstrate sufficient analysis and provide justification for its decisions on significant energy-related transactions, the city should develop an integrated energy strategy that examines all elements of its energy needs, sources, and objectives.	No Action Taken	City of Vernon
35.	To ensure that it can demonstrate sufficient analysis and provide justification for its decisions on significant energy-related transactions, the city should create a formal process and guidelines that include the following: identifying the benefits and risks of proposed transactions, quantifying the benefits and risks of proposed transactions, evaluating and comparing proposed transactions against alternative proposals, quantifying the impact of proposed transactions on short-term and long-term rates paid by the city's energy customers, seeking an independent validation of the fair market value of proposed transactions, and documenting and communicating the findings of the evaluation process to the city council.	No Action Taken	City of Vernon
36.	If the city plans to continue to rely on the advice of its consultants when entering significant energy-related transactions, it should develop a process for the consultants to provide written documentation that would enable the city to satisfy the process and guidelines outlined in the previous two recommendations.	Partially Implemented	City of Vernon
37.	To minimize the continuing financial losses on the two currently outstanding interest rate swaps, the city should develop a clear process for deciding how it will terminate these swaps based on the cost and future risk to the city.	Partially Implemented	City of Vernon
38.	To ensure that any future decisions to enter into interest rate swaps are carefully considered, the city should develop and follow a process that thoroughly analyzes the risks and benefits of the potential swap transaction.	Partially Implemented	City of Vernon
39.	To ensure that any future decisions to enter into interest rate swaps are carefully considered, the city should specifically disallow the use of derivatives for speculative purposes and should require the retention of the documents and analyses that support the decision to enter into the swap.	Pending	City of Vernon

Report Number 2012-042

Children's Hospital Program: Fund Disbursements Are Appropriate, but Estimates of Cash Needs Have Been Consistently High **(July 2012)**

	RECOMMENDATION	STATUS OF RECOMMENDATION	ENTITY
1.	To avoid contributing to the State's financial strain, the authority should limit future bond sales to the level of disbursements it reasonably expects to make during the following six-month period.	Fully Implemented	California Health Facilities Financing Authority
2.	The authority should reduce its current cash balance by continuing to make disbursements to hospitals while refraining from requesting additional bond sales. If the authority believes it needs to retain a portion of its cash balance as a contingency reserve for unforeseen circumstances, it should perform and document an analysis demonstrating the appropriateness of the reserve level it adopts.	Fully Implemented	California Health Facilities Financing Authority
3.	To allow for more accurate planning of upcoming cash needs, the authority should refine its cash-projection process to more accurately reflect its near-term cash needs. Specifically, the authority should refrain from requesting additional bond sales for projects that have not yet received project approval from the authority.	Fully Implemented	California Health Facilities Financing Authority
4.	For hospitals with existing projects, the authority should request written confirmation from hospitals that detail when the hospitals will submit disbursal requests for approved funds.	Fully Implemented	California Health Facilities Financing Authority

Report Number 2011-120

California Department of Transportation: Its Poor Management of State Route 710 Extension Project Properties Costs the State Millions of Dollars Annually, Yet State Law Limits the Potential Income From Selling the Properties **(August 2012)**

	RECOMMENDATION	STATUS OF RECOMMENDATION	ENTITY
19.	To ensure that it appropriately executes interagency agreements with other state agencies, General Services should provide training to construction unit staff.	Fully Implemented	Department of General Services
25.	To ensure that it charges its clients appropriately for the work it performs, General Services should reassess the construction unit's methodologies for determining the hourly burden rate and direct administration fees.	Fully Implemented	Department of General Services
26.	To ensure that it charges its clients appropriately for the work it performs, General Services should ensure that the construction unit's methodologies are sound and that it can properly support them.	Fully Implemented	Department of General Services
27.	To determine if the construction unit's use of casual laborers to perform work not in their job specifications, such as procurement, is cost-effective, General Services should perform an analysis comparing the cost of paying the casual laborers at the prevailing wage rate and the cost of paying permanent civil service employees. If it finds that using permanent employees is cost-effective for the State, General Services should seek approval for additional permanent employees to perform those functions.	Fully Implemented	Department of General Services
28.	To ensure that the casual laborers charge only for their actual hours worked on projects, General Services should require that the civil service supervisor who has knowledge of the time the casual laborer works approve the casual laborer's daily time report and the Activity Based Management System time charges.	Fully Implemented	Department of General Services
29.	To ensure that the casual laborers charge only for their actual hours worked on projects, General Services should ensure that the daily time reports for casual laborers contain the appropriate task codes, the laborer's signature, and the approval of a civil service supervisor.	Fully Implemented	Department of General Services
30.	To ensure that the casual laborers charge only for their actual hours worked on projects, General Services should update its construction unit manual to formalize its standard practice of using daily job reports for each project.	Fully Implemented	Department of General Services
31.	To ensure that the casual laborers charge only for their actual hours worked on projects, General Services should retain the daily job reports and the daily time reports in the project files.	Fully Implemented	Department of General Services
32.	To ensure that it complies with its nepotism policy, General Services should have its office of human resources review and approve its existing temporary authorization appointments for casual laborers. If the office of human resources finds that personal relationships exist, General Services should take appropriate action in accordance with its policy.	Fully Implemented	Department of General Services
33.	To ensure that the construction unit complies with the State's procurement laws and policies, General Services should require the construction unit to immediately discontinue its current procurement practices that are inconsistent with the State's procurement laws and policies.	Fully Implemented	Department of General Services
34.	To ensure that the construction unit complies with the State's procurement laws and policies, General Services should require the construction unit to modify the procurement section of its manual to conform to the State's procurement laws and policies.	Resolved	Department of General Services
35.	To ensure that the construction unit complies with the State's procurement laws and policies, General Services should provide training to its construction unit employees regarding the State's procurement laws and policies.	Resolved	Department of General Services
36.	To ensure that the construction unit complies with the State's procurement laws and policies, General Services should clarify the waiver process in the administrative order governing the small business participation goal.	Not Fully Implemented*	Department of General Services
37.	To ensure that the construction unit complies with the State's procurement laws and policies, General Services should continue its efforts to implement regulations that govern the small business certification process related to defining and enforcing violations of commercially useful function requirements.	Not Fully Implemented*	Department of General Services
38.	To ensure that the construction unit complies with the State's procurement laws and policies, General Services should conduct an investigation of the small businesses we discussed in the report to determine if they are performing a commercially useful function.	Fully Implemented	Department of General Services

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Report Number 2012-106

City of San José: Some Retirement Cost Projections Were Unsupported Although Rising Retirement Costs Have Led to Reduced City Services **(August 2012)**

	RECOMMENDATION	STATUS OF RECOMMENDATION	ENTITY
1.	To ensure that stakeholders receive consistent and reliable information, San José should report the official retirement cost projections that were developed using the assumptions approved by the boards of the two retirement plans. If San José does not use the official retirement cost projections, it should develop projections that are supported by accepted actuarial methodologies, report this information in the correct context, and disclose significant assumptions that differ from those in the boards' retirement cost projections.	Fully Implemented	City of San José

Report Number 2011-118/2011-613

Conduit Bond Issuers: Issuers Complied With Key Bond Requirements, but Two Joint Powers Authorities' Compensation Models Raise Conflict-of-Interest Concerns **(August 2012)**

	RECOMMENDATION	STATUS OF RECOMMENDATION	ENTITY
1.	The FPPC should adopt regulations that clarify whether the analysis in the McEwen advice letter is intended to apply to the factual circumstances presented in this audit.	Fully Implemented	Fair Political Practices Commission
2.	To be better informed about the compensation of their consultants, including any potential conflicts of interest, California Communities and Municipal Finance should require the consulting firms that staff their organizations to disclose the amount and structure of compensation provided to individual consultants, including disclosing whether any of this compensation is tied to the volume of bond sales.	Will Not Implement	California Statewide Communities Development Authority
3.	To be better informed about the compensation of their consultants, including any potential conflicts of interest, California Communities and Municipal Finance should require the consulting firms that staff their organizations to disclose the amount and structure of compensation provided to individual consultants, including disclosing whether any of this compensation is tied to the volume of bond sales.	Fully Implemented	California Municipal Finance Authority
4.	In implementing its January 2012 contracting policy, California Communities should either periodically subject existing contracts to competitive bidding or perform some other price comparison analysis to ensure that the public funds it oversees are used effectively.	Not Fully Implemented*	California Statewide Communities Development Authority
5.	Municipal Finance should follow its July 2012 policy that describes how it will select contractors and periodically review existing contractors' services and prices to ensure the public funds it oversees are used effectively.	Fully Implemented	California Municipal Finance Authority
6.	As suggested by the Government Finance Officers Association (GFOA) guidance, California Communities and Municipal Finance should include provisions in their contracts prohibiting consultants from engaging in activities on behalf of the issuers that produce a direct or indirect financial gain to the consultants, other than the agreed-upon compensation, without the issuer's informed consent.	Fully Implemented	California Statewide Communities Development Authority
7.	As suggested by the GFOA guidance, California Communities and Municipal Finance should include provisions in their contracts prohibiting consultants from engaging in activities on behalf of the issuers that produce a direct or indirect financial gain to the consultants, other than the agreed-upon compensation, without the issuer's informed consent.	Fully Implemented	California Municipal Finance Authority
8.	Once the Securities and Exchange Commission finalizes its definition of municipal advisor, California Communities should have its legal counsel review whether HB Capital should register with the Municipal Securities Rulemaking Board.	Not Fully Implemented*	California Statewide Communities Development Authority
9.	To provide more accessible venues for citizens to understand the financing of projects and to voice their opinions, the Health Financing Authority should either hold local approval hearings in each jurisdiction in which a project will be built or create a cost-effective technological solution (streaming video, teleconference, etc.) to provide more public accessibility.	Fully Implemented	California Health Facilities Financing Authority

Report Number 2012-037

Department of Housing and Community Development: Awards of Housing Bond Funds Are Appropriate, but Cash Balances Are High and Monitoring Continues to Need Improvement **(October 2012)**

	RECOMMENDATION	STATUS OF RECOMMENDATION	ENTITY
1.	To ensure that it does not exceed the maximum amount specified in state law for administrative costs for the BEGIN Program, HCD should continue to reevaluate, as appropriate, its administrative support costs projection and continue to monitor its future costs.	Fully Implemented	Department of Housing and Community Development
2.	Going forward, to the extent that Finance or HCD believes the State needs to issue bonds in excess of cash needs, it should document an analysis demonstrating the appropriateness of the bond sale amount and the circumstances.	Fully Implemented	Department of Housing and Community Development
3.	Going forward, to the extent that Finance or HCD believes the State needs to issue bonds in excess of cash needs, it should document an analysis demonstrating the appropriateness of the bond sale amount and the circumstances.	Fully Implemented	Department of Finance
4.	HCD should continue its efforts to monitor sponsors that receive awards of housing bond funds by requiring staff to follow its procedures related to centrally tracking advances to sponsors under the CalHome Program.	Fully Implemented	Department of Housing and Community Development
5.	HCD should continue its efforts to monitor sponsors that receive awards of housing bond funds by ensuring that it receives, reviews, and centrally tracks required status reports from sponsors under its CalHome and BEGIN programs.	Fully Implemented	Department of Housing and Community Development
6.	HCD should continue its efforts to monitor sponsors that receive awards of housing bond funds by, upon finalizing monitoring procedures for the BEGIN Program, ensuring that staff implement and follow them.	Fully Implemented	Department of Housing and Community Development
7.	As it relates to selecting which sponsors to monitor, HCD should continue its efforts to monitor sponsors that receive awards of housing bond funds by adopting a risk-based, on-site monitoring approach for its CalHome and BEGIN programs. For the CalHome Program, HCD should evaluate the criteria in its risk assessment tool and require staff to use a centralized tracking log for on-site monitoring visits, which should indicate when findings are resolved.	Fully Implemented	Department of Housing and Community Development

Report Number I2012-1

Investigations of Improper Activities by State Agencies and Employees: Bribery, Conspiracy to Commit Mail Fraud, Improper Overtime Payments, Improper Use of Lease Proceeds, Improper Travel Expenses, and Other Violations of State Law **(December 2012)**

	RECOMMENDATION	STATUS OF RECOMMENDATION	ENTITY
15.	The athletic commission immediately should cease paying the 18 athletic inspectors discussed in the report an overtime rate for work they perform and inform all athletic inspectors that it will compensate them at the classification's straight-time rate unless their work meets the criteria for receiving overtime under the Fair Labor Standards Act of 1938.	Fully Implemented	State Athletic Commission
16.	The athletic commission should make greater efforts to broaden its hiring and increase the number of applicants who are not full-time state employees by posting hiring announcements at locations where the athletic commission has a presence, such as gyms and venues at which it holds events.	Fully Implemented	State Athletic Commission
20.	To minimize the potential for unauthorized changes to employers' wage information, EDD should strengthen its controls surrounding employees' access and authorization to change data for companies reporting employment information used in EDD's unemployment system.	Fully Implemented	Employment Development Department

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Report Number 2012-121.1

Department of Parks and Recreation: Weak Procedures Have Led to Inconsistent Budgetary Reporting and Difficulties in Measuring the Impact of Efforts to Keep Parks Open **(February 2013)**

	RECOMMENDATION	STATUS OF RECOMMENDATION	ENTITY
3.	To ensure transparency and accurate reporting, in those instances when Finance believes it is necessary to adjust amounts that departments have reported for presentation in the governor's budget, causing them to be different from the amounts reported to the State Controller, Finance should develop a policy and procedures to fully disclose the need for the adjustments it makes, including a reconciliation to the amounts reported by the State Controller.	Fully Implemented	Department of Finance
6.	Finance should establish a documented process for ensuring that its staff demonstrate that they have verified that departments completed budget documents correctly. For example, Finance could establish a checklist that its staff complete to communicate that they followed specified procedures to ensure the accuracy of amounts reported by departments.	Partially Implemented	Department of Finance

Report Number 2012-117

State Athletic Commission: Its Ongoing Administrative Struggles Call Its Future Into Question **(March 2013)**

	RECOMMENDATION	STATUS OF RECOMMENDATION	ENTITY
1.	To increase transparency and to ensure that commissioners provide a sufficient level of oversight over the commission's operations and budget process, the executive officer should work with the commissioners to establish written policies and procedures that delineate the executive officer's responsibilities related to communicating with the commissioners.	Fully Implemented	State Athletic Commission
2.	To ensure its future financial stability, the commission should work with Consumer Affairs to establish a long-term financial plan that contains the following: • A reasonable annual budget with an accurate forecast of planned expenditures. The commission should determine this budget based in part on its ability or inability to meet the expenditure limitations stipulated in the solvency plan. • The number of inspectors necessary to regulate each type of event. In establishing this number, the commission should take into account the varying size and complexity of the events. It should also determine the cost for each inspector to regulate an event. • An estimate of its costs to regulate different types of events. To arrive at a reasonable estimate, the commission will need to track at least six months of actual expenditures. • The number of staff necessary to perform all of the commission's necessary functions. The commission will need to conduct a workload analysis as soon as possible to determine how many staff it requires and adjust its planned expenditures accordingly. • Funds for athletic inspectors' training that are sufficient to meet the requirement that inspectors receive training within six months of an event that they are scheduled to work. • Strategies to increase revenue. The commission may need to conduct analyses to determine whether the opportunities it is currently considering are legally permissible and fiscally prudent. If so, the commission should take steps to implement those strategies, including seeking any necessary legislative changes.	Partially Implemented	State Athletic Commission
3.	The commission should establish a formal policy to ensure that it assigns inspectors to events based primarily on their proximity to the events.	Fully Implemented	State Athletic Commission
4.	To ensure that it adequately tracks critical information related to its basic functions and mission, the commission should develop and implement procedures and written guidelines to ensure that it consistently tracks information related to all events and their associated revenues and expenditures. These guidelines should also ensure that it tracks the inspectors it assigns to events and the athletes it licenses.	Fully Implemented	State Athletic Commission
5.	To ensure that it adequately tracks critical information related to its basic functions and mission, the commission should, once it has developed a reliable listing of the events it regulates, conduct an analysis to determine the manner in which events affect its financial condition. For example, the commission could compile the expenditures related to each event, including inspectors' wages and travel, and compare its expenditures to the revenue it received. Although the commission may need to regulate small events to ensure that it meets its responsibilities, it should still consider the cost of doing so in order to ensure that it stays within its spending authority.	Fully Implemented	State Athletic Commission

	RECOMMENDATION	STATUS OF RECOMMENDATION	ENTITY
6.	To ensure that it adequately tracks critical information related to its basic functions and mission, the commission should ensure that its system for tracking the number of events, the inspectors it assigns to events, and its revenues and expenditures is compatible with the online program Consumer Affairs is developing so that it may easily import this information into the new program when it is complete.	Pending	State Athletic Commission
7.	To ensure that it adequately tracks critical information related to its basic functions and mission, the commission should work with Consumer Affairs to ensure that the new online program will meet its needs and requirements. Once the program is in place, the commission should use it as its central means for tracking its operations.	Pending	State Athletic Commission
8.	To ensure that it accurately collects revenue, the commission should formalize policies and procedures directing inspectors to take the necessary steps to make sure they correctly and consistently calculate taxes, assessments, and fees in accordance with state law and regulations.	Partially Implemented	State Athletic Commission
9.	To ensure that it accurately collects revenue, the commission should calculate the pension assessment by counting all the complimentary tickets issued, except for working complimentary tickets, not merely the complimentary tickets that are redeemed. If the commission does not agree that it should calculate the pension assessment by counting all the complimentary tickets issued, it should seek a change in its regulations to calculate the fee based only on the number of complimentary tickets redeemed.	Pending	State Athletic Commission
10.	To ensure that it accurately collects revenue, the commission should seek legislation, with the assistance of Consumer Affairs, that requires promoters to submit their broadcast contracts and authorizes the commission to impose penalties on those promoters who refuse to submit these contracts. Once the commission has received a sufficient number of broadcast contracts, it needs to conduct an analysis to determine whether the maximum fee of $25,000 on broadcast contracts is appropriate in light of the amounts of the contracts or whether the fee structure should be increased through a change in state law.	Resolved	State Athletic Commission
11.	To ensure that it accurately collects revenue, the commission should continue its efforts to ensure that promoters, inspectors, and staff are aware of their responsibilities related to the accurate reporting of box office information and the submission of key documents that substantiate the reported information.	Fully Implemented	State Athletic Commission
12.	To ensure that it accurately collects revenue, the commission should take steps to ensure that promoters adhere to its new process of certifying in writing that the information they provide is complete and accurate.	Fully Implemented	State Athletic Commission
13.	To ensure that it accurately collects revenue, the commission should adhere to its regulations by establishing a process for approving ticket printers and maintain a list of those it has approved.	Fully Implemented	State Athletic Commission
14.	To correct the deficiencies in its processing of revenue, the commission should continue to ensure the appropriate separation of duties. In addition, the commission should continue to require staff to track revenues received from events and reconcile those amounts to the events' box office reports.	Fully Implemented	State Athletic Commission
15.	To ensure that designated employees and officers disclose potential conflicts of interest on their statements of economic interests as the law requires, the commission should notify Consumer Affairs' filing officer promptly when these employees or officers assume or leave office.	Fully Implemented	State Athletic Commission
16.	To ensure that all designated parties complete statements of economic interests as the law requires, Consumer Affairs should improve its policies and procedures to ensure that it identifies any incomplete statements and promptly notifies the Fair Political Practices Commission when necessary.	Pending	Department of Consumer Affairs
17.	To ensure that it maintains adequate documentation to demonstrate that it has regulated events in accordance with state law, the commission needs to update its policies and procedures to ensure that inspectors prepare and submit key documents after events.	Fully Implemented	State Athletic Commission
18.	To ensure that inspectors receive training as state law requires, the commission should conduct trainings every six months, or within six months of an event at which inspectors are scheduled to work.	Fully Implemented	State Athletic Commission
19.	To ensure that inspectors receive training as state law requires, the commission should formalize a process to track inspectors' training status.	Fully Implemented	State Athletic Commission
20.	To ensure that inspectors receive training as state law requires, the commission should continue to evaluate more cost-effective ways of providing training.	Fully Implemented	State Athletic Commission

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	RECOMMENDATION	STATUS OF RECOMMENDATION	ENTITY
21.	To ensure that it uses the neurological account as the Legislature intended, the commission needs to conduct a thorough analysis that identifies the average cost of neurological examinations and the number of athletes whom it licenses. If, after performing such an analysis, the commission determines that it cannot comply with the law as it is currently written, it needs to work with Consumer Affairs' legal counsel and the Legislature to determine a reasonable alternative use of the neurological account.	Fully Implemented	State Athletic Commission
22.	The commission needs to establish regulations that describe its process for determining its ticket assessment for the neurological account so that it avoids the use of underground regulations.	Pending	State Athletic Commission
23.	To operate the pension plan effectively and maximize boxers' benefits, the commission should create policies and procedures for its administration to ensure that it continues to take action to locate eligible boxers, such as issuing periodic press releases.	Fully Implemented	State Athletic Commission
24.	To operate the pension plan effectively and maximize boxers' benefits, the commission should create policies and procedures for its administration to ensure that it establishes a formal process that will enable it to better track boxers' mailing addresses.	Fully Implemented	State Athletic Commission
25.	To operate the pension plan effectively and maximize boxers' benefits, the commission should create policies and procedures for its administration to ensure that it transfers funds on a regular basis from the pension fund's state account into its investment account.	Pending	State Athletic Commission
26.	To comply with state law governing the pension plan, the commission needs to limit its expenditures for administering the pension plan to 20 percent of the average of the prior two years' contributions to the plan.	Fully Implemented	State Athletic Commission
27.	To comply with state law governing the pension plan, the commission needs to discontinue paying the pension plan's administrative costs from its athletic commission fund. It should ensure that it pays those costs only from the pension fund.	Fully Implemented	State Athletic Commission
28.	To comply with state law governing the pension plan, the commission needs to, after it has an accurate and complete listing of all licensed athletes and box office information by event type, conduct the analysis to determine the feasibility of expanding the pension plan to cover all athletes and report the results to the Legislature.	No Action Taken	State Athletic Commission
29.	To ensure that it promptly addresses the report's findings, the commission should work with Consumer Affairs to develop an action plan to prioritize and resolve its most significant deficiencies within a specified time frame. At the very least, the commission should commit to the following within one year: • Establishing policies and procedures that clearly delineate the roles and responsibilities of the commissioners, the executive officer, and commission staff in the commission's administrative processes, such as developing and approving its budget. • Developing a long-term financial plan based on its actual event revenues and expenditures that includes practical cost-cutting and revenue-enhancing strategies. • Setting up systems to track key information, including revenues, expenditures, events, inspectors, and licensees. • Formalizing administrative policies, procedures, and controls that relate to revenue collection, revenue processing, and separation of duties.	Pending	State Athletic Commission

Report Number 2012-110

Special Interest License Plate Funds: The State Has Foregone Certain Revenues Related to Special Interest License Plates and Some Expenditures Were Unallowable or Unsupported **(April 2013)**

	RECOMMENDATION	STATUS OF RECOMMENDATION	ENTITY
6.	To the extent that it continues to expend money from the antiterrorism fund through contracts, Cal EMA should properly monitor its contracts to ensure compliance with their terms.	Fully Implemented	Emergency Management Agency
7.	To the extent that it continues to expend money from the antiterrorism funds through contracts, Cal EMA should ensure that the expenses contractors claim comply with the contracts' terms, including the allowability of the expenses. For example, it should obtain adequate support for invoices contractors submit before issuing payment to ensure that the contractor has performed the work as expected and that the amount claimed is sufficiently supported.	Fully Implemented	Emergency Management Agency

	RECOMMENDATION	STATUS OF RECOMMENDATION	ENTITY
8.	To ensure that it properly administers its contract services paid from the antiterrorism fund, Food and Agriculture should verify that it has an executed contract in place before obtaining services under the contract and should monitor its contractors for compliance with provisions of the contracts and with state contracting laws.	Pending	Department of Food and Agriculture
9.	To make certain that money from the special plate funds pay only for allowable and supportable activities, Cal EMA should monitor the administrative expenses it charges to the antiterrorism fund and work with Finance to ensure that these expenses, coupled with additional administrative costs Finance charges, do not exceed 5 percent of the money from the antiterrorism fund appropriated to it during each fiscal year.	Resolved	Emergency Management Agency
10.	To make certain that money from the special plate funds pay only for allowable and supportable activities, Cal EMA should ensure that it only allows grantees to claim expenses for activities directly related to fighting terrorism and not for ancillary services.	Partially Implemented	Emergency Management Agency
11.	To make certain that money from the special plate funds pay only for allowable and supportable activities, Cal EMA should maintain documentation to support its charges to the antiterrorism fund. For example, it should ensure that employees submit signed time reports to support the time they spend on antiterrorism-related activities.	Partially Implemented	Emergency Management Agency
12.	To make certain that money from the special plate funds pay only for allowable and supportable activities, Food and Agriculture should ensure that employees submit signed time reports to support the time they spend on antiterrorism-related activities.	Pending	Department of Food and Agriculture
13.	To make certain that money from the special plate funds pay only for allowable and supportable activities, Food and Agriculture should use all appropriate funding sources to pay for any expenses that benefit multiple programs in proportion to the benefits those programs actually receive.	Pending	Department of Food and Agriculture

Report Number 2012-109

City of San Diego: Although It Generally Followed Requirements for Reviewing Permits, It Could Do More to Protect Historical Resources and to Notify the Public Properly About Its Actions **(April 2013)**

	RECOMMENDATION	STATUS OF RECOMMENDATION	ENTITY
1.	To ensure that it properly identifies potential historical resources for the structures on project sites and conducts reviews in accordance with the municipal code, Development Services should require applicants to submit documentation, such as the county's property records when available, with their applications or it should obtain the information directly from the county so that it can determine whether the project requires a historical resource review.	Fully Implemented	City of San Diego Mayor's Office
2.	To comply with the municipal code requirements for construction permits such as building permits, Development Services should align Information Bulletin 118, issued in June 2011, which describes its process for construction changes to approved plans, with the municipal code requirements for issuing permits and conducting historical resource reviews.	Partially Implemented	City of San Diego Mayor's Office
3.	To provide the public proper notice of San Diego's decision that a project is exempt from CEQA, Development Services should ensure that the exemption notice includes the information outlined in the CEQA guidelines.	Partially Implemented	City of San Diego Mayor's Office
4.	To provide the public proper notice of San Diego's decision that a project is exempt from CEQA, Development Services should submit exemption notices to the county within five business days after the date all rights to appeal its decision have elapsed, in accordance with its procedures.	Pending	City of San Diego Mayor's Office
5.	To provide the public proper notice of San Diego's decision that a project is exempt from CEQA, Development Services should retain documentation demonstrating that it posts the appeal notices in accordance with the municipal code.	Pending	City of San Diego Mayor's Office
6.	To provide the public proper notice of San Diego's environmental determinations within five days of the final approval of a project in accordance with the CEQA guidelines, Development Services should develop procedures to ensure that its staff file the determination notices in a timely manner. For example, to avoid delays, Development Services should require its staff to collect and submit to the county the filing fee for each determination notice within five business days of the final approval of a project.	Pending	City of San Diego Mayor's Office

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	RECOMMENDATION	STATUS OF RECOMMENDATION	ENTITY
7.	To provide the public proper notice of San Diego's environmental determinations in accordance with its municipal code, Development Services should seek an amendment to the municipal code to clarify its belief that environmental determinations made by a hearing officer are not subject to the appeal notice requirement. In the interim, Development Services should post appeal notices for projects subject to permit review Process Three.	Partially Implemented	City of San Diego Mayor's Office
8.	To ensure that its designated employees disclose their financial interests in a timely manner, Development Services should ensure that its filing liaisons and payroll staff develop and implement procedures for notifying the filing liaisons when designated employees assume or leave their positions.	Fully Implemented	City of San Diego Mayor's Office
9.	To ensure that its designated employees disclose their financial interests in a timely manner, Development Services should ensure that the filing liaisons promptly notify the city clerk when designated employees assume or leave their positions.	Fully Implemented	City of San Diego Mayor's Office
10.	To ensure that San Diego's unclassified employees attend ethics training as required by the city council, the commission should either follow the city council's policy or seek a change to align the policy with its current practice.	Fully Implemented	City of San Diego Ethics Commission

Report Number 2012-119

California Department of Veterans Affairs: It Has Initiated Plans to Serve Veterans Better and More Cost-Efficiently, but Further Improvements Are Needed **(May 2013)**

	RECOMMENDATION	STATUS OF RECOMMENDATION	ENTITY
1.	To ensure that it maximizes its ability to generate revenue at all the veterans homes and better cover the costs of providing care to its members, CalVet should continue to implement standardized policies and procedures throughout the veterans homes to increase revenue, including its policies and procedures for identifying and enrolling eligible members into federal, state, and private insurance programs, such as the Medicare and Medi-Cal programs.	Pending	Department of Veterans Affairs
2.	To ensure that it maximizes its ability to generate revenue at all the veterans homes and better cover the costs of providing care to its members, CalVet should analyze its cost-recovery model, including an evaluation of the state laws that limit the amount of revenue that CalVet can collect for the care it provides to its members at the veterans homes.	Pending	Department of Veterans Affairs
3.	To better ensure that the veterans homes are providing quality care as cost-efficiently as possible, CalVet should continue monitoring the nurse-to-member ratios in the homes and work with the homes as necessary to help them meet the targeted ratios.	Fully Implemented	Department of Veterans Affairs
4.	CalVet should provide similar oversight to the veterans homes in implementing the standardized staffing model, once it is finalized.	Partially Implemented	Department of Veterans Affairs
5.	To better utilize unused space at the veterans homes, and to serve more veterans within legal restrictions, CalVet should use the information in the Yountville veterans home master plan to develop a plan for using unused space at that home to generate revenue and/or serve more veterans.	Pending	Department of Veterans Affairs
6.	To better utilize unused space at the veterans homes, and to serve more veterans within legal restrictions, CalVet should develop and implement procedures for periodically evaluating all of the veterans homes to identify opportunities to enhance use of unused space and increase revenue generation, including documenting the results of its evaluations.	Pending	Department of Veterans Affairs
7.	To better utilize unused space at the veterans homes, and to serve more veterans within legal restrictions, CalVet should develop a formal process for identifying, securing, and evaluating public-private partnership agreements with other entities that could provide services to more veterans than it currently serves, and update its tracking matrix to include the dates when such efforts were initiated or the date of the most recent status of those efforts.	Pending	Department of Veterans Affairs
8.	To better utilize unused space at the veterans homes, and to serve more veterans within legal restrictions, CalVet should identify measures to facilitate monitoring the success of its public-private partnership agreement with the Pathway Home at the Yountville veterans home, as well as its agreements with New Directions and Salvation Army Haven at the West Los Angeles veterans home.	Pending	Department of Veterans Affairs

	RECOMMENDATION	STATUS OF RECOMMENDATION	ENTITY
9.	To better utilize unused space at the veterans homes, and to serve more veterans within legal restrictions, CalVet should, as part of its 2013 renegotiations with Pathway Home, document its review and evaluation of any legal restrictions that may limit this agreement.	Partially Implemented	Department of Veterans Affairs
10.	To better utilize unused space at the veterans homes, and to serve more veterans within legal restrictions, CalVet should, for any future public-private partnership agreements, specify measures in the agreements that will allow it to monitor and assess the success of the agreements, and it should document its review and evaluation of any legal restrictions that may limit its authority to enter into the agreements.	Partially Implemented	Department of Veterans Affairs
11.	To ensure it is maximizing its ability to serve veterans in the State's veterans homes, CalVet should follow through with its plan to assess the bed capacity of the homes for veterans' needs after the homes in Fresno and Redding are licensed, to determine the most appropriate number of beds for the different levels of care offered at each home.	Pending	Department of Veterans Affairs
12.	To better reach a larger number of veterans who might not otherwise learn about and take advantage of benefits and services to which they are entitled, CalVet should continue to use technology, including implementing CalVet Connect.	Pending	Department of Veterans Affairs
13.	To ensure that it is providing the highest quality of services to veterans, CalVet should implement oversight and guidance policies to ensure that its veterans homes are providing adequate and appropriate referral options to veterans who have been placed on the waiting list or denied admission into a home.	Pending	Department of Veterans Affairs
14.	To ensure that it is providing the highest quality of services to veterans, CalVet should improve its tracking system policy by developing oversight controls so that the system is used consistently by all of the veterans homes.	Pending	Department of Veterans Affairs
15.	To allow for public input and to prevent any legal challenges that its policy of capping members' fees, its $165 monthly income-retention policy for members, and its age and admission policy are unenforceable underground regulations, CalVet should adopt these policies as regulations in accordance with the Administrative Procedure Act.	Pending	Department of Veterans Affairs
16.	To more effectively and efficiently meet state purchasing and procurement requirements, CalVet should analyze its current purchasing model to ensure that it is the most efficient and cost-effective to use when purchasing non-IT goods and services for the veterans homes.	No Action Taken	Department of Veterans Affairs
17.	To more effectively and efficiently meet state purchasing and procurement requirements, CalVet should continue implementing quality assurance policies to strengthen its oversight of its purchasing practices, including conducting on-site reviews of the purchasing practices of the veterans homes.	Pending	Department of Veterans Affairs

Report Number 2012-118

California Public Utilities Commission: Despite Administrative Weaknesses, It Has Generally Awarded Compensation to Intervenors in Accordance With State Law **(July 2013)**

	RECOMMENDATION	STATUS OF RECOMMENDATION	ENTITY
1.	To prevent intervenors from expending resources in proceedings where they are ineligible to receive compensation, the commission should comply with state law by issuing within 30 days preliminary rulings concerning an intervenor's eligibility, when required to do so.	Fully Implemented	Public Utilities Commission
2.	The commission should determine the cause of its lack of compliance with state law requiring it to issue award decisions within 75 days of the date an intervenor submits a compensation claim, and it should determine what actions to take to rectify the problem. The commission should ensure that it has sufficient information, such as detailed tracking information regarding claims, to identify where in the process delays are occurring. If the commission determines that the current 75-day statutory period is unreasonable, it should seek a change in state law.	Partially Implemented	Public Utilities Commission
3.	To ensure that utilities and commission staff pay the correct amount of interest to intervenors, the commission should complete its effort to develop and distribute a methodology for calculating reasonable interest on compensation decisions issued after the 75-day deadline. The commission should follow the new procedure to ensure that it calculates interest payments appropriately. To the extent reasonable, the commission should recoup the interest overpaid to intervenors.	Partially Implemented	Public Utilities Commission

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	RECOMMENDATION	STATUS OF RECOMMENDATION	ENTITY
4.	To ensure that it has reliable information concerning its compensation decisions for internal and external reporting, the commission should implement procedures to ensure the accuracy of its award database.	Partially Implemented	Public Utilities Commission
5.	To comply fully with state law, the commission should conduct a comprehensive market rate study and update it periodically.	Pending	Public Utilities Commission
6.	Commission staff should complete their effort to develop formal procedures to verify and document the qualifications of intervenors' attorneys and experts. The commission should implement the new procedures to ensure that it awards intervenors an appropriate hourly rate based on verified qualifications.	Partially Implemented	Public Utilities Commission
7.	To ensure that the commission complies with state law and does not inappropriately compensate intervenors, it should complete its effort to develop procedures for staff to routinely check whether an intervenor that represents the interests of small commercial customers who receive bundled electric service from an electrical corporation may have a conflict of interest arising from prior representation before the commission.	Fully Implemented	Public Utilities Commission
8.	The commission should work with intervenors through workshops or other means to clarify any confusion related to how it determines that work intervenors perform is reasonable.	Pending	Public Utilities Commission

Report Number 2012-112

Office of the Secretary of State: It Must Do More to Ensure Funds Provided Under the Federal Help America Vote Act Are Spent Effectively **(August 2013)**

	RECOMMENDATION	STATUS OF RECOMMENDATION	ENTITY
1.	To ensure that the public, county registrars, and potential voting system developers understand how the secretary of state will make voting system approval decisions, the Office should make it a priority to develop regulations describing voting system standards in accordance with state law. It should begin the formal rule-making process by January 2014.	Pending	Office of the Secretary of State
2.	To comply with federal requirements for record retention, the Office should revise its record retention policy for long-term federal awards such as HAVA.	Pending	Office of the Secretary of State
3.	To ensure that the State has maximum flexibility in how it spends the remaining HAVA funds, the Office should do the following: • Formally renegotiate its agreement with Justice by discussing the need to pursue VoteCal and obtaining clarity as to what aspect of the current CalVoter system, if any, does not meet HAVA's requirements. • Report, by December 2013, the results of these discussions with Justice to the Legislature. If the Office continues to believe it is compliant with Title III requirements, it should take the necessary steps to maximize the Legislature's flexibility to decide how best to appropriate remaining HAVA funds.	Pending	Office of the Secretary of State
4.	To enhance the value of the HAVA spending plan as a transparency and accountability tool for the Legislature, the Office should make the following modifications to its annual HAVA spending plan: • Clearly state the methodology used to report prior HAVA expenditures in the HAVA spending plan. Such a methodology should use the financial information contained in its accounting system. • Reconcile the prior HAVA expenditures with the year-end financial reports the Office provides to the California State Controller's Office. • Present prior HAVA expenditures by activity and by specific appropriation.	Pending	Office of the Secretary of State
5.	To ensure the State complies with the NVRA, the Office should take all necessary steps, including seeking any necessary legislative changes, and work with the DMV to modify the driver's license application so that it may simultaneously serve as a form for voter registration.	Pending	Office of the Secretary of State

Report Number 2013-107

Accounts Outside the State's Centralized Treasury System: Processes Exist to Safeguard Money, but Controls for These Accounts Need Strengthening
(October 2013)

RECOMMENDATION	STATUS OF RECOMMENDATION	ENTITY
1. Within the next 60 days, the state controller should implement the policies and procedures it developed to ensure the receipt of outside account reports in each reporting period and to enhance monitoring efforts.	Fully Implemented	State Controller's Office
2. Within the next six months, the state controller should develop policies and procedures to maintain a list of all outside accounts and reconcile its list annually with the state treasurer's list.	Fully Implemented	State Controller's Office
3. Within the next 60 days, the state treasurer should implement the policies and procedures it developed to ensure the receipt of outside account reports in each reporting period and to enhance monitoring efforts.	Fully Implemented	State Treasurer's Office
4. Within the next six months, the state treasurer should develop policies and procedures to maintain a list of all outside accounts and reconcile its list annually with the state controller's list.	Fully Implemented	State Treasurer's Office
5. Within the next 60 days, the Department of Finance should implement the policies and procedures it developed to ensure the receipt of outside account reports in each reporting period and to enhance monitoring efforts.	Fully Implemented	Department of Finance
6. To ensure that all outside accounts have proper authority, over the next six months, Finance should continue to pursue and resolve the 35 identified unresolved cases in which adequate authority could not be confirmed.	Partially Implemented	Department of Finance

Report Number I2011-0837

California Department of Veterans Affairs: Wastefulness, Failure to Comply With State Contracting Requirements, and Inexcusable Neglect of Duty
(October 2013)

RECOMMENDATION	STATUS OF RECOMMENDATION	ENTITY
1. For all contracts that involve recreation fund moneys or involve recreation fund enterprises, as a best practice, institute policies that require the contracts be awarded and administered in a manner consistent with the policies and procedures set forth in the *State Administrative Manual* and the *State Contracting Manual*.	No Action Taken	Department of Veterans Affairs
2. For all contracts that involve recreation fund moneys or involve recreation fund enterprises, institute policies that require the contracts to be approved by a Veterans Affairs attorney prior to being executed.	No Action Taken	Department of Veterans Affairs
3. For all contracts that involve recreation fund moneys or involve recreation fund enterprises, institute policies that require the contracts to be reviewed and approved by the secretary of Veterans Affairs, or upon delegation of the authority to do so, by a deputy secretary, prior to the contracts being executed.	Pending	Department of Veterans Affairs
4. Institute a policy that requires all payments of recreation fund moneys to a person or business in the amount of $5,000 or more during a fiscal year and any contract involving recreation fund enterprises be presented to the recreation fund advisory board (now known as the Morale, Welfare, and Recreation Committee) at a public meeting for an advisory vote prior to the payment being made.	No Action Taken	Department of Veterans Affairs
5. Institute a policy that requires any expenditure of recreation fund moneys to a person or business in the amount of $5,000 or more during a fiscal year be listed as a separate line item in the budget of the recreation fund as presented to the secretary for approval.	Pending	Department of Veterans Affairs
6. Work with the Governor's Office to take appropriate disciplinary action against the administrator.	Partially Implemented	Department of Veterans Affairs

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Report Number 2013-102

Employment Development Department: It Needs to Address Data Issues to Better Evaluate and Improve the Performance of Its Employment Programs for Veterans **(October 2013)**

	RECOMMENDATION	STATUS OF RECOMMENDATION	ENTITY
1.	To improve the quality of the performance reporting it submits to Labor, the department should work with Labor to develop reasonable controls to avoid reporting overstated and inaccurate performance measures.	Pending	Employment Development Department
3.	To improve the department's performance on its negotiated goals, it should, by January 2014, ensure that all veterans employment representatives are fully trained to use the new version of CalJOBS.	Pending	Employment Development Department
4.	To improve the department's performance on its negotiated goals, it should, through its governance council, regularly assess whether its actions under the 100-day plan are improving performance on the three common measures.	Pending	Employment Development Department
5.	To identify ways to better serve veterans in California, the department should assess the success or struggles of veterans within demographic categories in finding employment, such as age, race, or educational attainment, by comparing veterans' performance to that of nonveterans in the same demographic categories and across demographic categories and use this analysis to determine whether specific populations of veterans could be better served through more targeted efforts and to identify best practices for improving employment outcomes for these specific populations. Further, the department should provide the results of this analysis annually, beginning in 2014, to stakeholders, including local workforce agencies, the state workforce board, the interagency council, the Legislature, and the public.	Pending	Employment Development Department
6.	To ensure that it is using its limited resources effectively, the department and its information division should develop and implement, by July 2014, a means to receive and analyze feedback from workforce branch staff and from local workforce agencies to determine whether they have ideas for improving the employment outcomes for veterans. Specifically, the feedback method should include a means of identifying whether the staff in the field are accomplishing the department's veteran-specific objectives and whether the tools being used—such as labor information reports and the Vocations for Vets publications—can be made more useful and effective.	Pending	Employment Development Department
7.	To better optimize its leadership role in the interagency council's employment workgroup, the department should ensure that the employment workgroup develops a timeline for completing its action items and develops a process for measuring its success in improving employment outcomes for veterans. Specifically, the department should take the lead for establishing a time frame for evaluating tools to help assess and translate military skills into finding civilian jobs and establishing a transition assistance program for veterans.	Will Not Implement	Employment Development Department
8.	To evaluate the success of the veterans assistance program going forward, the department should analyze the performance of the grant recipients across all three common measures. Further, the program manager unit and the reporting unit should work together to ensure that the data the program manager unit is using to assess program performance are the most appropriate and the best available.	Pending	Employment Development Department
9.	To assess whether it is doing enough to take advantage of federal requirements that federal contractors give preference to veterans when hiring, the department should determine why the reported number of veterans receiving employment with federal contractors is so low relative to the number of job referrals made and it should provide appropriate direction to the veterans employment representatives to better leverage the federal contractor job listing.	Pending	Employment Development Department

Assembly Budget Subcommittee 5: Public Safety

Report Number 2011-121

Probationers' Domestic Violence Payments: Improved Processes for Managing and Distributing These Payments Could Increase Support for Local Shelters **(September 2012)**

	RECOMMENDATION	STATUS OF RECOMMENDATION	ENTITY
1.	San Diego Court should ensure that procedures are in place so that courts do not reduce or waive domestic violence payments for reasons other than a probationer's inability to pay.	Fully Implemented	Superior Court of California, County of San Diego
2.	To ensure that it is accurately setting up accounts and to ensure that probationers are not paying more fines and fees than are applicable, San Diego Court should include on the orders issued at sentencing the breakdown of all fines and fees owed.	Fully Implemented	Superior Court of California, County of San Diego
3.	To ensure that it is accurately setting up accounts and to ensure that probationers are not paying more fines and fees than are applicable, San Diego Court should use the guidelines in place at the time of sentencing for those convicted of domestic violence crimes when it establishes accounts for payments.	Fully Implemented	Superior Court of California, County of San Diego
4.	Santa Clara County should implement a process to distribute funds regularly to domestic violence shelters.	Fully Implemented	Santa Clara County
5.	Sacramento County should finalize work with the State Controller's Office on correcting the county's overpayment of domestic violence funds to the State.	Fully Implemented	Sacramento County
6.	Sacramento County should implement the process developed for reviewing statutes that affect domestic violence payment collection and distribution practices in order to prevent overpayment of domestic violence funds in the future.	Fully Implemented	Sacramento County
7.	Los Angeles County, San Diego County, San Diego Court, and Santa Clara County should determine the magnitude of the misdirected domestic violence funds.	Fully Implemented	Los Angeles County
8.	Los Angeles County, San Diego County, San Diego Court, and Santa Clara County should determine the magnitude of the misdirected domestic violence funds.	Fully Implemented	San Diego County
9.	Los Angeles County, San Diego County, San Diego Court, and Santa Clara County should determine the magnitude of the misdirected domestic violence funds.	Fully Implemented	Superior Court of California, County of San Diego
10.	Los Angeles County, San Diego County, San Diego Court, and Santa Clara County should determine the magnitude of the misdirected domestic violence funds.	Fully Implemented	Santa Clara County
11.	Los Angeles County, San Diego County, San Diego Court, and Santa Clara County should consult with the State Controller's Office to determine what action should be taken to correct the domestic violence funds that were misdirected in prior fiscal years.	Fully Implemented	Los Angeles County
12.	Los Angeles County, San Diego County, San Diego Court, and Santa Clara County should consult with the State Controller's Office to determine what action should be taken to correct the domestic violence funds that were misdirected in prior fiscal years.	Fully Implemented	San Diego County
13.	Los Angeles County, San Diego County, San Diego Court, and Santa Clara County should consult with the State Controller's Office to determine what action should be taken to correct the domestic violence funds that were misdirected in prior fiscal years.	Fully Implemented	Superior Court of California, County of San Diego
14.	Los Angeles County, San Diego County, San Diego Court, and Santa Clara County should consult with the State Controller's Office to determine what action should be taken to correct the domestic violence funds that were misdirected in prior fiscal years.	Fully Implemented	Santa Clara County
15.	Los Angeles County, San Diego County, San Diego Court, and Santa Clara County should improve protocols for reviewing statutes that affect collection and distribution practices so that future changes can be acted upon.	Fully Implemented	Los Angeles County
16.	Los Angeles County, San Diego County, San Diego Court, and Santa Clara County should improve protocols for reviewing statutes that affect collection and distribution practices so that future changes can be acted upon.	Not Fully Implemented*	San Diego County
17.	Los Angeles County, San Diego County, San Diego Court, and Santa Clara County should improve protocols for reviewing statutes that affect collection and distribution practices so that future changes can be acted upon.	Fully Implemented	Superior Court of California, County of San Diego

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	RECOMMENDATION	STATUS OF RECOMMENDATION	ENTITY
18.	Los Angeles County, San Diego County, San Diego Court, and Santa Clara County should improve protocols for reviewing statutes that affect collection and distribution practices so that future changes can be acted upon.	Fully Implemented	Santa Clara County
19.	Los Angeles Court should finalize the correction of the court's misdirected domestic violence funds.	Fully Implemented	Superior Court of California, County of Los Angeles
20.	Los Angeles Court should improve protocols for reviewing statutes that affect collection and distribution practices so that future changes can be acted upon.	Fully Implemented	Superior Court of California, County of Los Angeles
21.	Sacramento County should increase its contracted spending for shelter services so that it reduces the balance of its special fund down to a level that is reasonable considering the needs of the fund.	Fully Implemented	Sacramento County
22.	To ensure that they are maximizing the impact of domestic violence funds, Sacramento, San Diego, and Santa Clara counties should periodically monitor their special funds.	Fully Implemented	Sacramento County
23.	To ensure that they are maximizing the impact of domestic violence funds, Sacramento, San Diego, and Santa Clara counties should periodically monitor their special funds.	Fully Implemented	San Diego County
24.	To ensure that they are maximizing the impact of domestic violence funds, Sacramento, San Diego, and Santa Clara counties should periodically monitor their special funds.	Fully Implemented	Santa Clara County

Report Number 2011-129

Juvenile Justice Realignment: Limited Information Prevents a Meaningful Assessment of Realignment's Effectiveness **(September 2012)**

	RECOMMENDATION	STATUS OF RECOMMENDATION	ENTITY
1.	To improve the usefulness of its reports so that they can be used to assess the outcomes of realignment, the board should work with counties and relevant stakeholders, such as the committee that established performance outcome measures for the block grant, to determine the data that counties should report. To minimize the potential for creating a state mandate, the board should take into consideration the information that counties already collect to satisfy requirements for other grants.	Not Fully Implemented*	Board of State and Community Corrections
2.	To improve the usefulness of its reports so that they can be used to assess the outcomes of realignment, if the Legislature chooses not to change the law as suggested, or if the counties are unable to report countywide statistics, the board should discontinue comparing outcomes for juveniles who receive block grant services to those who do not in its reports.	Will Not Implement	Board of State and Community Corrections
3.	To maximize the usefulness of the information it makes available to stakeholders and to increase accountability, the board should create policies and procedures that include clear, comprehensive guidance to counties about all aspects of performance outcome and expenditure reporting. At a minimum, such guidance should include specifying how counties should define when a juvenile has received a service and whether certain services, such as training, should qualify as serving juveniles.	Not Fully Implemented*	Board of State and Community Corrections
4.	To maximize the usefulness of the information it makes available to stakeholders and to increase accountability, the board should publish performance outcome and expenditure data for each county on its Web site and in its annual reports.	Not Fully Implemented*	Board of State and Community Corrections
5.	To maximize the usefulness of the information it makes available to stakeholders and to increase accountability, the board should consider verifying the counties' data by conducting regular site visits on a rotating basis or by employing other procedures to verify data that counties submit.	Not Fully Implemented*	Board of State and Community Corrections
6.	To increase the amount of juvenile justice data the counties make available to the public, the board should work with counties on how best to report these data.	Not Fully Implemented*	Board of State and Community Corrections
7.	To ensure the accuracy and completeness of the data the counties submit into the Juvenile Court and Probation Statistical System (JCPSS), Justice should follow its procedure to send annual summaries of the JCPSS data to the counties for review and to conduct occasional field audits of the counties' records.	Not Fully Implemented*	Department of Justice

	RECOMMENDATION	STATUS OF RECOMMENDATION	ENTITY
8.	To ensure that its Automated Criminal History System (criminal history system) contains complete and accurate data related to juvenile offenders, Justice should implement a process to ensure that staff enter data correctly into the system.	Fully Implemented	Department of Justice
9.	To ensure that its criminal history system contains complete and accurate data related to juvenile offenders, Justice should implement a procedure similar to the one it employs for the JCPSS to verify the accuracy of information the counties submit.	Not Fully Implemented*	Department of Justice
10.	To increase the amount of information related to realignment and to allow stakeholders to identify the population of juvenile offenders sent directly to adult prison, Corrections should obtain complete offense dates from the courts, if possible.	Fully Implemented	Department of Corrections and Rehabilitation
11.	To assist the Legislature in its effort to revise state law to specify the intended goals of juvenile justice realignment, the board should work with stakeholders to propose performance outcome goals to use to measure the success of realignment.	Not Fully Implemented*	Board of State and Community Corrections
12.	To ensure that counties do not maintain excessive balances of unexpended block grant funds, the board should develop procedures to monitor counties' unspent funds and follow up with them if the balances become unreasonable.	Not Fully Implemented*	Board of State and Community Corrections

Report Number I2012-1

Investigations of Improper Activities by State Agencies and Employees: Bribery, Conspiracy to Commit Mail Fraud, Improper Overtime Payments, Improper Use of Lease Proceeds, Improper Travel Expenses, and Other Violations of State Law **(December 2012)**

	RECOMMENDATION	STATUS OF RECOMMENDATION	ENTITY
1.	Correctional Health Services should provide training to the manager and supervisors involved in the claim authorization process regarding the state rules applicable to claiming travel expenses.	Partially Implemented	California Correctional Health Care Services
2.	Correctional Health Services should discontinue reimbursing employees for expenses claimed in violation of state regulations.	Partially Implemented	California Correctional Health Care Services
3.	Corrections should provide training to its accounting staff regarding state regulations and the applicable collective bargaining agreements that relate to travel reimbursements.	Fully Implemented	Department of Corrections and Rehabilitation
4.	Corrections should develop procedures to ensure that it provides accurate, clear responses when employees seek clarification of state travel rules.	Fully Implemented	Department of Corrections and Rehabilitation
5.	Corrections should collect all of the improper payments the State made to the nurse and seek corrective action for the time the nurse falsely claimed to work.	Fully Implemented	Department of Corrections and Rehabilitation
6.	Corrections should provide training to the supervisor related to timekeeping requirements and the proper procedures for taking disciplinary actions.	Fully Implemented	Department of Corrections and Rehabilitation
7.	Corrections and Correctional Health Services should seek corrective action for the supervisor's failure to monitor and discipline the nurse adequately.	Fully Implemented	Department of Corrections and Rehabilitation
8.	Corrections and Correctional Health Services should seek corrective action for the supervisor's failure to monitor and discipline the nurse adequately.	Fully Implemented	California Correctional Health Care Services
9.	Corrections should provide training to the facility's personnel office staff related to the application of the terms of the collective bargaining agreements for medical staff, the processing of docked pay, and the processing of on-call hours.	Fully Implemented	Department of Corrections and Rehabilitation
10.	Corrections should implement additional controls within the facility's personnel office to ensure that supervisors regularly monitor and review their staff's processing of time sheets.	Fully Implemented	Department of Corrections and Rehabilitation

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Report Number 2012-301

Judicial Branch Procurement: Six Superior Courts Generally Complied With the Judicial Branch Contracting Law, but They Could Improve Some Policies and Practices **(March 2013)**

	RECOMMENDATION	STATUS OF RECOMMENDATION	ENTITY
1.	To comply with state requirements, the Judicial Council should include policies in the judicial contracting manual regarding the State's small business preference for information technology procurements.	Pending	Administrative Office of the Courts
2.	To ensure complete reports to the Legislature, the AOC should review and modify its methodology for excluding certain transactions from the semiannual report to ensure that the AOC is not inadvertently excluding legitimate procurements. Further, the AOC's methodology should ensure that all procurements or contracts—such as those related to court security, court reporters, and interpreters when such services result in payment by a judicial branch entity to a vendor or contractor—are included in the semiannual report unless specifically excluded by state law.	Pending	Administrative Office of the Courts
3.	To ensure accurate reports to the Legislature, the AOC should ensure that its process for extracting data from the courts' common accounting system provides accurate information—including, but not limited to, data describing the item or service procured and data reflecting the amount courts actually paid to vendors—for use in the semiannual report.	Fully Implemented	Administrative Office of the Courts
4.	To ensure that transactions reflect the State's priorities regarding businesses owned by disabled veterans, and to comply with requirements in the judicial contracting manual, the courts we reviewed should develop formal policies to implement the DVBE program.	Fully Implemented	Superior Court of California, County of Napa
5.	To ensure that transactions reflect the State's priorities regarding businesses owned by disabled veterans, and to comply with requirements in the judicial contracting manual, the courts we reviewed should develop formal policies to implement the DVBE program.	Pending	Superior Court of California, County of Orange
6.	To ensure that transactions reflect the State's priorities regarding businesses owned by disabled veterans, and to comply with requirements in the judicial contracting manual, the courts we reviewed should develop formal policies to implement the DVBE program.	Pending	Superior Court of California, County of Sacramento
7.	To ensure that transactions reflect the State's priorities regarding businesses owned by disabled veterans, and to comply with requirements in the judicial contracting manual, the courts we reviewed should develop formal policies to implement the DVBE program.	Pending	Superior Court of California, County of Stanislaus
8.	To ensure that transactions reflect the State's priorities regarding businesses owned by disabled veterans, and to comply with requirements in the judicial contracting manual, the courts we reviewed should develop formal policies to implement the DVBE program.	Fully Implemented	Superior Court of California, County of Sutter
9.	To ensure that transactions reflect the State's priorities regarding businesses owned by disabled veterans, and to comply with requirements in the judicial contracting manual, the courts we reviewed should develop formal policies to implement the DVBE program.	Fully Implemented	Superior Court of California, County of Yolo
10.	To ensure that court executive management is aware of and approves large purchases, the Napa court's staff should restrict approvals to established dollar levels. Further, to demonstrate adherence to its approval policies, the court should implement its new procedure to record executive committee approvals in the procurement file.	Fully Implemented	Superior Court of California, County of Napa
11.	The Sacramento court should ensure that managers restrict their approvals to established dollar levels so that managers with sufficient knowledge of the court's resources approve purchases.	Fully Implemented	Superior Court of California, County of Sacramento
12.	To ensure that the Sacramento court receives the best value for the goods and services it procures, the court should justify all sole-source or noncompetitively bid purchases according to its policies.	Fully Implemented	Superior Court of California, County of Sacramento
13.	To ensure that the Stanislaus court receives the best value for the goods and services it procures, the court should advertise its solicitations of goods and services when required by the judicial contracting manual.	Fully Implemented	Superior Court of California, County of Stanislaus
14.	To ensure that the Sutter court receives the best value for the goods and services it procures, the court should justify decisions to make sole-source purchases and document that justification in the procurement files.	Fully Implemented	Superior Court of California, County of Sutter
15.	To ensure it receives the best value, the Yolo court should document that it compared the offerings of multiple vendors when using leveraged procurement agreements unless the judicial contracting manual or guidance on the particular leveraged procurement agreement does not require such comparison.	Fully Implemented	Superior Court of California, County of Yolo

Report Number 2012-110

Special Interest License Plate Funds: The State Has Foregone Certain Revenues Related to Special Interest License Plates and Some Expenditures Were Unallowable or Unsupported **(April 2013)**

	RECOMMENDATION	STATUS OF RECOMMENDATION	ENTITY
17.	To demonstrate that all participants in the scholarship program are eligible to participate, Victim Compensation should establish and document the eligibility of the three participants for whom it currently lacks such documentation.	Resolved	California Victim Compensation and Government Claims Board

Report Number I2010-1045

California Department of Corrections and Rehabilitation and California Correctional Health Care Services: Both Agencies Wasted State Resources by Improperly Accounting for Leave Taken by Their Employees **(June 2013)**

	RECOMMENDATION	STATUS OF RECOMMENDATION	ENTITY
1.	Conduct an audit of the leave accounting system during the past three years to identify instances of nonmanagerial, exempt employees working an alternate schedule at an adult correctional facility being charged incorrect amounts of leave for missed days of work.	Partially Implemented	California Correctional Health Care Services
2.	Conduct an audit of the leave accounting system during the past three years to identify instances of nonmanagerial, exempt employees working an alternate schedule at an adult correctional facility being charged incorrect amounts of leave for missed days of work.	Partially Implemented	Department of Corrections and Rehabilitation
3.	Adjust current employees' leave balances in the leave accounting system to correct any improper charging of leave identified by the audit.	Partially Implemented	California Correctional Health Care Services
4.	Adjust current employees' leave balances in the leave accounting system to correct any improper charging of leave identified by the audit.	Partially Implemented	Department of Corrections and Rehabilitation
5.	In instances where the audit has determined that an employee's leave balance was mischarged but the employee subsequently departed state service, take appropriate measures to remedy any resulting incorrect compensation of the employee for unused leave upon his or her departure, including by seeking repayment of any amount overpaid to the employee.	Partially Implemented	California Correctional Health Care Services
6.	In instances where the audit has determined that an employee's leave balance was mischarged but the employee subsequently departed state service, take appropriate measures to remedy any resulting incorrect compensation of the employee for unused leave upon his or her departure, including by seeking repayment of any amount overpaid to the employee.	Partially Implemented	Department of Corrections and Rehabilitation
7.	Train all personnel staff regarding the proper amount of leave to charge those exempt employees working an alternate schedule who miss a day of work.	Partially Implemented	California Correctional Health Care Services
8.	Train all personnel staff regarding the proper amount of leave to charge those exempt employees working an alternate schedule who miss a day of work.	Partially Implemented	Department of Corrections and Rehabilitation
9.	Train all nonmanagerial, exempt employees eligible to work an alternate schedule regarding the proper completion of a time sheet to ensure the employees' leave balances are charged correctly for an absence from work.	Partially Implemented	California Correctional Health Care Services
10.	Train all nonmanagerial, exempt employees eligible to work an alternate schedule regarding the proper completion of a time sheet to ensure the employees' leave balances are charged correctly for an absence from work.	Partially Implemented	Department of Corrections and Rehabilitation
11.	Establish a system of oversight at headquarters and at each adult correctional facility to ensure that personnel specialists are charging the correct number of leave hours for those nonmanagerial, exempt employees working an alternate work schedule.	Partially Implemented	California Correctional Health Care Services
12.	Establish a system of oversight at headquarters and at each adult correctional facility to ensure that personnel specialists are charging the correct number of leave hours for those nonmanagerial, exempt employees working an alternate work schedule.	Partially Implemented	Department of Corrections and Rehabilitation

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	RECOMMENDATION	STATUS OF RECOMMENDATION	ENTITY
13.	Establish a system of supervisory oversight that involves reviewing employees' time sheets and leave balances to ensure that personnel specialists are entering information into the leave accounting system correctly.	Partially Implemented	California Correctional Health Care Services
14.	Establish a system of supervisory oversight that involves reviewing employees' time sheets and leave balances to ensure that personnel specialists are entering information into the leave accounting system correctly.	Partially Implemented	Department of Corrections and Rehabilitation
15.	Establish a system for correcting mischarged leave in the leave accounting system and for reviewing errors with the responsible employee whenever mischarged leave hours are discovered.	Partially Implemented	California Correctional Health Care Services
16.	Establish a system for correcting mischarged leave in the leave accounting system and for reviewing errors with the responsible employee whenever mischarged leave hours are discovered.	Partially Implemented	Department of Corrections and Rehabilitation

Report Number 2013-030

State Bar of California: It Complies With Contracting Requirements, but It Could Improve Certain Practices to Ensure It Receives Best Value **(July 2013)**

	RECOMMENDATION	STATUS OF RECOMMENDATION	ENTITY
1.	To ensure that it seeks the best value for its contracts, the State Bar should implement its draft procedures that require its contract managers to document their efforts to determine that the costs for exempt contracts are reasonable.	Partially Implemented	State Bar of California
2.	To provide for informed decision making when contracting with consultants, the State Bar should implement its draft procedures that require its contract managers to perform and document a post-contract evaluation of consulting contracts with a value greater than $5,000.	Partially Implemented	State Bar of California

Report Number 2013-103

Armed Persons With Mental Illness: Insufficient Outreach From the Department of Justice and Poor Reporting From Superior Courts Limit the Identification of Armed Persons With Mental Illness **(October 2013)**

	RECOMMENDATION	STATUS OF RECOMMENDATION	ENTITY
1.	To ensure that it has the necessary information to identify armed prohibited persons with mental illness, Justice should coordinate with the AOC at least once a year to share information about court reporting levels and to determine the need to distribute additional information to courts about reporting requirements and the manner in which to report. In coordinating with the AOC about potential underreporting, at a minimum Justice should consider trends in the number of reports each court sends and the number of reports that it might expect to receive from a court given the court's size, location, and reporting history. Whenever Justice identifies a court that it determines may not be reporting all required information, it should request that the court forward all required case information.	Partially Implemented	Department of Justice
2.	AOC should coordinate with Justice at least once a year to obtain information about court reporting levels. Using that information, AOC should provide technical assistance to the courts that do not appear to be complying with state law's requirement to report prohibited individuals and assist the courts in taking appropriate steps to ensure compliance.	Partially Implemented	Administrative Office of the Courts
3.	To ensure that it is properly reporting to Justice individuals posing a danger to themselves or others, San Francisco Court should work with the district attorney and the Office of Conservatorship Services to ensure that the court is sufficiently considering whether individuals should be prohibited from possessing a firearm. Where appropriate, the court should include prohibitive language in orders relating to those cases and promptly report these individuals to Justice.	Partially Implemented	Superior Court of California, County of San Francisco
4.	To ensure that it is reporting all required individuals to Justice, Los Angeles Court should, by December 31, 2013, revise its new procedures at the Mental Health Courthouse to discuss quality control steps, such as a supervisory review and other monitoring processes, that would ensure that it is reporting all required determinations. Los Angeles Court should implement the revised procedures so that it reports all types of court determinations state law requires.	Partially Implemented	Superior Court of California, County of Los Angeles

	RECOMMENDATION	STATUS OF RECOMMENDATION	ENTITY
5.	To ensure that it is reporting all court determinations that prohibit an individual from possessing a firearm, by December 31, 2013, Los Angeles Court's Criminal Justice Center should revise its court procedures regarding these determinations so that court administrative staff are notified when a finding related to mental competency occurs.	Partially Implemented	Superior Court of California, County of Los Angeles
6.	Los Angeles Court should review its compliance with state law's firearm prohibition reporting requirements at each of the other courthouse locations within its court and make the necessary adjustments to courthouse policies and practices so that it fully complies with state law by March 31, 2014.	Partially Implemented	Superior Court of California, County of Los Angeles
7.	To ensure that it reports all required prohibited persons to Justice, San Bernardino Court should implement its new procedures for both its criminal and its probate divisions at the central courthouse by December 31, 2013, so that it reports all types of court determinations state law requires.	Fully Implemented	Superior Court of California, County of San Bernardino
8.	San Bernardino Court should review its compliance with state law's firearm prohibition reporting requirements at each of the other courthouse locations within its court and make the necessary adjustments to courthouse policies and practices so that it fully complies with state law by March 31, 2014.	Fully Implemented	Superior Court of California, County of San Bernardino
9.	To ensure that it reports all required prohibited persons to Justice, Santa Clara Court's probate division should revise its court policies and practices by December 31, 2013, so that it reports all types of court determinations state law requires. Further, Santa Clara Court's criminal division at its Hall of Justice should follow its new reporting and monitoring procedures to ensure that it reports all required determinations to Justice.	Partially Implemented	Superior Court of California, County of Santa Clara
10.	Santa Clara Court should review its compliance with state law's firearm prohibition reporting requirements at each of the other courthouse locations within its court and make the necessary adjustments to courthouse policies and practices so that it fully complies with state law by March 31, 2014.	Fully Implemented	Superior Court of California, County of Santa Clara
12.	Los Angeles, San Bernardino, and Santa Clara courts should follow the requirements in state law related to how quickly to report individuals to Justice.	Partially Implemented	Superior Court of California, County of Los Angeles
13.	Los Angeles, San Bernardino, and Santa Clara courts should follow the requirements in state law related to how quickly to report individuals to Justice.	Pending	Superior Court of California, County of San Bernardino
14.	Los Angeles, San Bernardino, and Santa Clara courts should follow the requirements in state law related to how quickly to report individuals to Justice.	Fully Implemented	Superior Court of California, County of Santa Clara
15.	To ensure that it keeps an accurate and up-to-date list of all mental health facilities that are required to report individuals with mental illness, at least twice a year Justice should update its outreach list of mental health facilities by obtaining a list of facilities from Health Care Services.	Partially Implemented	Department of Justice
16.	As soon as it identifies mental health facilities that have not yet received information about reporting requirements and the online reporting system, Justice should send these facilities the related information.	Pending	Department of Justice
17.	To ensure that it continues to receive information from facilities that currently report individuals with mental illness and that should continue to report such individuals, by January 31, 2014, and at least twice a year thereafter, Justice should implement a review of the number of reports it receives from individual mental health facilities. These reviews should focus on identifying any significant drops in a facility's reporting levels and include follow up with facilities that may require additional assistance in reporting.	Partially Implemented	Department of Justice
18.	To ensure that all applicable information from State Hospitals is communicated to Justice, by March 31, 2014, Justice and State Hospitals should establish a written understanding of the method and frequency with which State Hospitals will report prohibited individuals to Justice.	Partially Implemented	Department of Justice
20.	To ensure that it makes correct determinations about whether an individual is an armed prohibited person, by January 31, 2014, Justice should implement quality control procedures over APPS unit staff determinations. These procedures should include periodic supervisory review of staff determinations to ensure that staff decisions correctly identify all armed prohibited persons.	Pending	Department of Justice
21.	To maximize Justice's ability to identify armed prohibited persons, Justice should pursue a cost-effective method of reviewing alias information in the DMV database.	Partially Implemented	Department of Justice

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	RECOMMENDATION	STATUS OF RECOMMENDATION	ENTITY
22.	To ensure that its implementation of reviews of armed prohibited persons is consistent with state law, Justice should seek legislative change to confirm whether its practice of reviewing firearm records only back to 1996 is appropriate.	Pending	Department of Justice
23.	To reduce the risk that it may not identify an armed prohibited person, Justice should revise its electronic matching process to use all personal identifying numbers available in its databases.	Partially Implemented	Department of Justice
24.	To ensure that timely information is available for its efforts to identify armed prohibited persons and confiscate their firearms, Justice should manage staff priorities to meet both its statutory deadline for firearms background checks and its internal deadline for initially reviewing potential prohibited persons. Justice should report annually to the Legislature about the backlog of unreviewed potential prohibited persons and what factors have prohibited it from efficiently reviewing these persons.	Pending	Department of Justice
25.	To ensure that potential armed prohibited person cases do not wait too long for their first review by the APPS unit, by December 31, 2013, Justice should revise its goal for the daily queue to a more challenging level of no more than a maximum of 400 to 600 cases. Justice should monitor its performance against this goal and manage staff priorities as needed to meet it.	Partially Implemented	Department of Justice
26.	To ensure that it can adequately demonstrate that it has made efforts to address outstanding APPS database cases, Justice should require APPS unit staff to document key efforts to resolve these cases and retain this documentation.	Partially Implemented	Department of Justice
27.	To ensure that it regularly follows up and attempts to resolve APPS database cases that remain outstanding, by December 31, 2013, Justice should establish a specific time interval for how long cases can remain pending for review before becoming a higher priority for follow-up work and how often, at a minimum, its staff should perform follow-up work on these higher priority cases. Justice should establish a written policy that addresses both of these expectations.	Pending	Department of Justice
28.	To ensure that it meets its goal of eliminating the historical backlog of reviewing firearms owners by the end of 2016, Justice should manage its staff resources to continually address the backlog, and should notify the Legislature if it believes that it will not be able to fully process this backlog by its goal date. To help guide this effort, Justice should establish benchmarks that will indicate whether it is on track to meet its goal.	Partially Implemented	Department of Justice
29.	To ensure that it processes all reports it receives about persons with mental illness, by January 31, 2014, Justice's mental health unit should develop and implement quality control procedures over staff entry of reports into the mental health database. These procedures should include periodic supervisory review to ensure that all reports are entered correctly. Additionally, Justice should conduct a supervisory review of all staff decisions to delete records from the database before their deletion.	Partially Implemented	Department of Justice
30.	To ensure that mental health determinations reported to its criminal information unit are quickly available for review, Justice should assess whether the criminal information unit can prioritize the entry of reports regarding mental health determinations without a negative effect on the entry of all other criminal information into its system.	Partially Implemented	Department of Justice
31.	To ensure that information about individuals with mental illness does not go unexamined, Justice should document its effort to offer training to mental health facilities that continue to report on paper, and it should ensure that individuals whom these facilities report on paper are promptly entered into the mental health database.	Pending	Department of Justice
32.	To ensure that it retains appropriate records related to mental health firearms prohibitions, by March 31, 2014, Justice should review its record retention schedule for documents used by the mental health unit and adjust any retention periods it determines are inappropriate. Justice should then ensure that its mental health unit follows its retention schedule.	Partially Implemented	Department of Justice
33.	Justice should update and maintain its system documentation for the mental health and APPS databases to ensure that it can efficiently and effectively address modifications and questions about these databases.	Pending	Department of Justice
34.	To ensure that it fully supports its decision to apply federal prohibition terms to individuals, Justice should review all applicable federal and state laws and continue to seek clarification from the ATF and any other appropriate federal agencies to determine whether California's firearms restoration process meets federal criteria and, if not, why it does not. Justice should issue a report to the Legislature, within one year, detailing the results of its review and, if applicable, communicate why California's restoration process does not meet federal criteria and the impact that it has on prohibited persons who live in California.	Partially Implemented	Department of Justice

Report Number 2013-302/2013-303

Judicial Branch Procurement: Semiannual Reports to the Legislature Are of Limited Usefulness, Information Systems Have Weak Controls, and Certain Improvements in Procurement Practices Are Needed **(December 2013)**

	RECOMMENDATION	STATUS OF RECOMMENDATION	ENTITY
2.	To improve the usefulness of the Judicial Council's semiannual reports until a statutory requirement is enacted, the AOC should work with the Judicial Council to pursue a cost-effective method to provide the semiannual reports in an electronic format that can be read by common database and spreadsheet software products that allow users to readily sort and filter the data, beginning with the semiannual report covering the July 1, 2013, through December 31, 2013, reporting period.	Pending†	Administrative Office of the Courts
3.	To improve the usefulness of the Judicial Council's semiannual reports until a statutory requirement is enacted, the AOC should work with the Judicial Council to pursue a cost-effective method to include new contracts and the complete history of contracts amended during the reporting period in the semiannual reports, including the date of the original contract; the original contract amount and duration; all subsequent contract amendments; and the date, amount, and duration of each such amendment. The AOC should present this information beginning with the semiannual report covering the July 1, 2014, through December 31, 2014, reporting period.	Pending†	Administrative Office of the Courts
4.	To improve the usefulness of the Judicial Council's semiannual reports until a statutory requirement is enacted, the AOC should work with the Judicial Council to pursue a cost-effective method to begin tracking additional information in its data systems for inclusion in the semiannual reports. This information should include whether a contract was competitively bid, the justification if it was not competitively bid, and whether the contract was with a Disabled Veteran Business Enterprise. For information technology contracts, the AOC should identify whether the contract was with a small business. The AOC should present this information beginning with the semiannual report covering the July 1, 2014, through December 31, 2014, reporting period.	Pending†	Administrative Office of the Courts
5.	The AOC should implement all of the best practices related to general and business process application controls as outlined in the U.S. Government Accountability Office's Federal Information System Controls Audit Manual no later than December 31, 2014, thereby strengthening and continuously monitoring the effectiveness of the controls over its information systems. In addition, the AOC should immediately begin implementing improvements to its controls over access to its information systems and place these improvements into effect by February 2014. Finally, the AOC should provide guidance and routinely follow up with the superior courts—requiring updates every six months until all identified issues are corrected—to ensure that they make the necessary improvements to their general and business process application controls.	Pending†	Administrative Office of the Courts
6.	The AOC, the Supreme Court, and the first, second, and fourth districts should implement procedures to ensure that they follow a competitive process for their procurements when required.	Pending†	Administrative Office of the Courts
7.	The AOC, the Supreme Court, and the first, second, and fourth districts should implement procedures to ensure that they follow a competitive process for their procurements when required.	Pending†	Court of Appeal, First District
8.	The AOC, the Supreme Court, and the first, second, and fourth districts should implement procedures to ensure that they follow a competitive process for their procurements when required.	Pending†	Court of Appeal, Fourth District
9.	The AOC, the Supreme Court, and the first, second, and fourth districts should implement procedures to ensure that they follow a competitive process for their procurements when required.	Pending†	Court of Appeal, Second District
10.	The AOC, the Supreme Court, and the first, second, and fourth districts should implement procedures to ensure that they follow a competitive process for their procurements when required.	Pending†	Supreme Court of California
11.	The AOC should implement procedures to ensure that agreements it considers LPAs include in their terms and conditions language that expressly allows other judicial entities to use them.	Pending†	Administrative Office of the Courts
12.	The AOC should provide additional training to its staff and the judicial entities on how to conduct procurements in compliance with the judicial contracting manual.	Pending†	Administrative Office of the Courts

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	RECOMMENDATION	STATUS OF RECOMMENDATION	ENTITY
13.	The AOC should revise the judicial contracting manual to require judicial entities to maintain documentation on their determinations of fair and reasonable pricing for purchases under $5,000.	Pending†	Administrative Office of the Courts
14.	The first, fifth, and sixth districts should develop procedures to ensure that they consistently maintain documentation of their determinations that the pricing obtained is fair and reasonable for procurements under $5,000.	Pending†	Court of Appeal, Fifth District
15.	The first, fifth, and sixth districts should develop procedures to ensure that they consistently maintain documentation of their determinations that the pricing obtained is fair and reasonable for procurements under $5,000.	Pending†	Court of Appeal, First District
16.	The first, fifth, and sixth districts should develop procedures to ensure that they consistently maintain documentation of their determinations that the pricing obtained is fair and reasonable for procurements under $5,000.	Pending†	Court of Appeal, Sixth District
17.	The AOC should revise the judicial contracting manual to require that judicial entities maintain documentation for their evaluation and selection process used for competitive procurements. The AOC should also strengthen its procedures to ensure that bid evaluations are conducted properly and calculated correctly.	Pending†	Administrative Office of the Courts
18.	The first and fifth districts should implement procedures to ensure that they consistently document their evaluation and selection process for procurements.	Pending†	Court of Appeal, Fifth District
19.	The first and fifth districts should implement procedures to ensure that they consistently document their evaluation and selection process for procurements.	Pending†	Court of Appeal, First District
20.	The AOC, HCRC, Supreme Court, and fourth and fifth districts should implement procedures to ensure that required noncompetitive procurement processes, such as preparing justifications and obtaining approval for sole-source procurements, are properly documented. Additionally, the AOC should ensure that it prepares the appropriate documentation when it amends a contract that it has competitively solicited and the amendment includes a change that was not evaluated in the original competitive process.	Pending†	Administrative Office of the Courts
21.	The AOC, HCRC, Supreme Court, and fourth and fifth districts should implement procedures to ensure that required noncompetitive procurement processes, such as preparing justifications and obtaining approval for sole-source procurements, are properly documented.	Pending†	Court of Appeal, Fifth District
22.	The AOC, HCRC, Supreme Court, and fourth and fifth districts should implement procedures to ensure that required noncompetitive procurement processes, such as preparing justifications and obtaining approval for sole-source procurements, are properly documented.	Pending†	Court of Appeal, Fourth District
23.	The AOC, HCRC, Supreme Court, and fourth and fifth districts should implement procedures to ensure that required noncompetitive procurement processes, such as preparing justifications and obtaining approval for sole-source procurements, are properly documented.	Pending†	Habeas Corpus Resource Center
24.	The AOC, HCRC, Supreme Court, and fourth and fifth districts should implement procedures to ensure that required noncompetitive procurement processes, such as preparing justifications and obtaining approval for sole-source procurements, are properly documented.	Pending†	Supreme Court of California
25.	The AOC should implement procedures to ensure that its internal controls over payments are followed and that procurements are approved before ordering and receiving goods and services.	Pending†	Administrative Office of the Courts
26.	The AOC should implement its plan to review sections of the California Public Contract Code, *State Administrative Manual*, and *State Contracting Manual* applicable to the judicial branch annually, and more often if there are significant changes, and update the judicial contracting manual as needed. Unless the judicial contracting manual removes the requirement, the AOC should also update its local manual to address construction activities for facilities other than trial courts.	Pending†	Administrative Office of the Courts

* Prior to 2014-406, this special report to the Assembly and Budget Subcommittees only reflected the entities' 60-day, six-month, or one-year responses. Beginning this year, we are reporting the most current response we have on file. For audits released between January and October 2012, this may include the entities' annual follow-up responses, which were previously published in our January 2014 report, *Recommendations Not Fully Implemented After One Year: The Omnibus Audit Accountability Act of 2006*. The status comments for these annual follow-up responses only include Fully Implemented, Resolved, Not Fully Implemented, and Will Not Implement.

† The status of recommendations for audits issued between November and December 2013 is based on the agencies' initial response, which is included in the original audit report, available on the California State Auditor's Web site: www.auditor.ca.gov.

‡ As of January 1, 2013, the Department of Fish and Game became the Department of Fish and Wildlife.

Table 2
Monetary Values
January 1, 2006, Through December 31, 2013

REPORT NUMBER (DATE RELEASED)	ENTITY*/REPORT TITLE/ BASIS OF MONETARY VALUE	MONETARY VALUE
Total for January 1, 2006, Through December 31, 2013		**$1,508,231,000**
Total for July 1, 2013, Through December 31, 2013		**$43,354,000**
Total One-Time Benefits for July 1, 2013, Through December 31, 2013		**$711,000**
2012-118 (July 2013)	*California Public Utilities Commission: Despite Administrative Weaknesses, It Has Generally Awarded Compensation to Intervenors in Accordance With State Law*	42,000
	Cost Recovery—The California Public Utilities Commission (commission) failed to provide guidance to its accounting staff regarding interest computation methodology, which resulted in the commission overpaying an estimated $42,000 in interest payments on intervenor claims. The commission is currently in the process of collecting the overpaid interest from the intervenors.	
2012-121.2 (September 2013)	*Department of Parks and Recreation: Flaws in Its Budget Allocation Processes Hinder Its Ability to Effectively Manage the Park System*	16,000
	Wasted Funds—The Department of Parks and Recreation inappropriately paid nearly $16,400 for leave to five employees in fiscal years 2009–10 and 2010–11. These leave buyback transactions were unallowable under the employees' relevant bargaining unit agreements.	
I2011-0837 (October 2013)	*California Department of Veterans Affairs: Wastefulness, Failure to Comply With State Contracting Requirements, and Inexcusable Neglect of Duty*	653,000
	Wasted Funds—The administrator of a veterans home operated by the California Department of Veterans Affairs (Veterans Affairs) unwisely entered into two contracts on behalf of the home that wasted $653,000 in state-managed funds and did not comply with state contracting requirements. Veterans Affairs wasted approximately $424,000 during fiscal years 2009–10, 2010–11, and 2011–12 when it paid a vendor to manage the café and tavern at a veterans home when it could have arranged for another vendor to operate the café and tavern at little or no cost to the home. Veterans Affairs wasted nearly $229,000 during fiscal years 2010–11 and 2011–12 when it entered into a contract that did not comply with state contracting requirements for the construction and operation of an adventure park and therefore had to spend funds to terminate the contract.	
Annualized Carry Forward for July 1, 2013, Through December 31, 2013		**$42,643,000**
2002-009 (April 2003)	California Energy Markets	14,500,000
I2006-1 (March 2006)	Department of Fish and Wildlife (Allegation I2004-1057)	4,150,000
2007-037 (September 2007)	Department of Housing and Community Development	19,000
I2008-1 (April 2008)	Department of Corrections and Rehabilitation (Allegation I2006-0665)	25,000
I2008-1 (April 2008)	Department of Social Services (Allegation I2006-1040)	6,500
2007-122 (June 2008)	Department of Health Care Services	6,500,000
2008-103 (November 2008)	California Unemployment Insurance Appeals Board	30,500
2009-043 (November 2009)	Board of Pilot Commissioners for the Bays of San Francisco, San Pablo and Suisun	19,000
2009-030 (July 2009)	State Bar of California	142,500
2009-112 (May 2010)	Department of Health Care Services	2,350,000
2010-108 (June 2010)	Department of Public Health	1,783,000
2009-118 (August 2010)	Department of Developmental Services	7,500,000
I2011-1 (August 2011)	Department of Mental Health (Allegation I2009-0644)	19,000
2010-124 (September 2011)	Department of Corrections and Rehabilitation	522,500
2011-119 (June 2012)	Physical Therapy Board	28,000
2011-120 (August 2012)	California Department of Transportation	1,900,000
I2012-1 (December 2012)	State Athletic Commission (Allegation I2009-1341)	29,500

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REPORT NUMBER (DATE RELEASED)	ENTITY*/REPORT TITLE/ BASIS OF MONETARY VALUE	MONETARY VALUE
I2012-1 (December 2012)	California Correctional Health Care Services (Allegation I2009-0689)	$18,500
I2012-1 (December 2012)	California Natural Resources Agency (Allegation I2009-1321)	9,500
2012-117 (March 2013)	State Athletic Commission	90,500
2012-110 (April 2013)	Department of Motor Vehicles	3,000,000
Total for July 1, 2012, Through June 30, 2013		**$139,115,000**
Total One-Time Benefits for July 1, 2012, Through June 30, 2013		**$32,600,000**
2011-120 (August 2012)	*California Department of Transportation: Its Poor Management of State Route 710 Extension Project Properties Costs the State Millions of Dollars Annually, Yet State Law Limits the Potential Income From Selling the Properties*	
	Increased Revenue—The California Department of Transportation (Caltrans) charged the majority of the State Route 710 (SR 710) property tenants rents that are, on average, 43 percent below market rate. Caltrans' rental of the SR 710 properties at below-market values constitutes a gift of public funds, which is prohibited by the California Constitution unless such rentals serve a public purpose. If it charged market rates for the 345 SR 710 properties, Caltrans could potentially generate as much as $3.8 million more per year in rental income. We expect this benefit to begin in fiscal year 2013–14.	
2012-105 (November 2012)	*Departments of Public Health and Social Services: Weaknesses in the Administration of the Child Health and Safety Fund and the State Children's Trust Fund Limit Their Effectiveness*	12,000
	Cost Recovery—The Department of Public Health (Public Health) did not provide proper oversight of the research foundation's 2007 contract. In our review of the payroll information for 14 research foundation invoices paid under that contract, we found that Public Health may have been overcharged by roughly $12,000 because the research foundation did not apply the allocation percentage stated in its original contract and adjust the allocation percentage for the subsequent amendments to the salaries of two individuals who were listed in the budgets.	
2010-102 (February 2011; December 2012 Update)	*Administrative Office of the Courts: The Statewide Case Management Project Faces Significant Challenges Due to Poor Project Management*	16,000,000
	Cost Recovery—In February 2011 we issued a report regarding the Administrative Office of the Courts' (AOC) California Court Case Management System (CCMS). We found that the AOC inadequately planned the project since 2003 and has consistently failed to develop accurate cost estimates or timelines for the projects. Subsequently, the Legislature did not provide additional funds for the deployment of CCMS. The Judicial Council voted to halt deployment of CCMS in March 2012 and Deloitte Consulting agreed to repay $16 million to compensate for delays caused by numerous quality issues.	
I2012-1 (December 2012) (Allegation I2009-0634)	*Franchise Tax Board and Office of the Secretary of State: Investigations of Improper Activities by State Employees*	227,000
	Cost Recovery—A Franchise Tax Board (board) employee, an Office of the Secretary of State (secretary) employee, and a courier service owner engaged in an elaborate scheme that enabled the courier service owner to steal nearly a quarter of a million dollars from the State. The three individuals were convicted of bribery and ordered to pay a total of approximately $227,000 in restitution to the secretary and the board. The failure of these agencies to maintain adequate controls contributed to the individuals' ability to perpetrate fraud.	
I2012-1 (December 2012) (Allegation I2008-1217)	*Employment Development Department: Investigations of Improper Activities by State Employees*	93,000
	Cost Recovery—A former Employment Development Department (EDD) accounting technician and two accomplices were convicted of conspiracy to commit mail fraud for executing a scheme to redirect unemployment insurance (unemployment) benefits from the State of California to ineligible recipients. During the duration of their scheme, the two accomplices illicitly received nearly $93,000 in unemployment claims for wages to which they were not entitled using U.S. mail to deliver their benefits from August 2008 through October 2010.	

REPORT NUMBER (DATE RELEASED)	ENTITY*/REPORT TITLE/ BASIS OF MONETARY VALUE	MONETARY VALUE
I2012-1 (December 2012) (Allegation I2009-1341)	*California State Athletic Commission: Investigations of Improper Activities by State Employees*	
	Cost Recovery—The California State Athletic Commission (commission) overpaid approximately $119,000 to 18 of its athletic inspectors from January 2009 through December 2010, because it inappropriately paid them at an hourly overtime rate rather than an hourly straight-time rate for work they performed. However, only about $25,000 of that amount can be collected due to the statute of limitation for recovering overpayments.	$25,000
	Wasted Funds—Due to the statute of limitation for recovering overpayments, the commission cannot recover $94,000 of the $119,000 the commission overpaid to 18 of its athletic inspectors from January 2009 through December 2010.	94,000
	Wasted Funds—We identified $29,000 in costs incurred over a two-year period that could have been avoided if the commission had not employed as athletic inspectors persons who already were employed full-time by the State in classifications that are similar to the athletic inspector classification and thus were entitled to receive compensation at an overtime rate. If the commission carries out all of our recommendations regarding the payment and hiring of athletic inspectors, we estimate $59,350 in continuing annual savings through cost avoidance.	29,000
I2012-1 (December 2012) (Allegation I2009-1218)	*Department of Fish and Game†: Investigations of Improper Activities by State Employees*	54,000
	Wasted Funds—A supervisor with the Department of Fish and Game improperly implemented an agricultural lease agreement. He directed the lessee, in lieu of making lease payments, to purchase about $54,000 in goods and services that did not constitute improvements and repairs to the leasehold, as required by the lease requirement.	
I2012-1 (December 2012) (Allegation I2009-0689)	*California Correctional Health Care Services and Department of Corrections and Rehabilitation: Investigations of Improper Activities by State Employees*	55,000
	Wasted Funds—A manager with California Correctional Health Care Services improperly allowed Department of Corrections and Rehabilitation (Corrections) employees to use rental cars paid for by the state and receive mileage reimbursements for commuting, and Corrections improperly approved this. The manager also improperly authorized these employees to receive reimbursements for expenses they incurred near their homes and headquarters, and Corrections improperly approved the payments. As a result, the State paid 23 employees a total of $55,000 in travel benefits over 18 months that they were not entitled to receive. As a result of our identifying the improper reimbursements and Corrections implementing our recommendation to end the reimbursements, we estimate $37,000 in continued annual savings.	
I2012-1 (December 2012) (Allegation I2009-1321)	*Natural Resources Agency: Investigations of Improper Activities by State Employees*	48,000
	Wasted Funds—From January 2009 through June 2011, an executive with the Natural Resources Agency (Resources) circumvented state travel regulations by improperly reimbursing an official and an employee about $48,000 in state funds for commutes between their homes and headquarters and lodging and meal expenses incurred near Resources headquarters. If this pattern continued to occur, we estimate $19,000 in continued annual savings through cost avoidance as a result of our recommendations.	
I2012-1 (December 2012) (Allegation I2010-1151)	*California Correctional Health Care Services and Department of Corrections and Rehabilitation: Investigations of Improper Activities by State Employees*	9,000
	Cost Recovery—A supervising registered nurse at the California Training Facility in Soledad (facility) falsely claimed to have worked 183 hours of regular, overtime, and on-call hours that have resulted in overpayments and ultimately overpaid the nurse about $9,000. Staff at the facility's personnel office reported that they have begun the process to collect the overpayments identified in this report.	
I2012-1 (December 2012) (Allegation I2010-1022)	*University of California, Office of the President: Investigations of Improper Activities by State Employees*	6,000
	Wasted Funds/Cost Recovery—The University of California (university) reimbursed an official approximately $4,200 for travel expenses he incurred from July 2008 through July 2011 based on wasteful travel policies and procedures. Additionally, the university official improperly requested, and the university improperly authorized, reimbursements for travel expenses totaling nearly $1,800, and we recommended that the university seek recovery of these reimbursements.	

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REPORT NUMBER (DATE RELEASED)	ENTITY*/REPORT TITLE/ BASIS OF MONETARY VALUE	MONETARY VALUE
I2005-2 (Allegations I2004-0649, I2004-0681, I2004-0789) (December 2012 Update)	*Department of Corrections and Rehibilitation: Investigations of Improper Activities by State Employees*	$3,500,000
	Cost Recovery—Issued in September 2005, this investigation revealed that the Department of Corrections (Corrections) failed to properly account for the time that employees used when released from their regular job duties to perform union-related activities. In June 2010 Corrections notified us that it had initiated litigation against the union to recover unreimbursed costs for all Corrections employees on full-time union leave. In January 2012 Corrections reached an agreement with the union that requires the union pay the State a total of $3.5 million for all Corrections employees on full-time union leave through annual payments beginning that same month and continuing until the entire amount is paid.	
2012-117 (March 2013)	*State Athletic Commission: Its Ongoing Administrative Struggles Call Its Future Into Question*	197,000
	Wasted Funds—Over the last three calendar years for administrative spending, the State Athletic Commission (commission) spent a total of $197,400 in excess of the allowable 20 percent limit of its annual contribution. Should the commission limit administrative spending to the allowable 20 percent, it could save an annual average of $66,000.	
	Lost Revenue—The commission's revenues are generally derived from taxes, assessments, and fees collected from events it regulates. Our review of 12 sample events found that the commission failed to collect $4,600 because it inconsistently adhered to its regulations and processes.	5,000
	Lost Revenue—The commission failed to maximize the money available to fund boxers' pension benefits by not transferring funds into a higher-yield investment account, potentially resulting in a loss of $20,000 between fiscal years 2007–08 and 2010–11. This is an ongoing benefit of approximately $5,000 per year.	20,000
	Wasted Funds—In 2010 and 2011 the commission inappropriately used funds from the commission fund to pay $40,000 in pension plan administration fees, despite the Legislature intending the pension fund to cover the administration of the pension plan.	40,000
	Increased Revenue—The commission reports that it has worked with the Legislature to raise the maximum fee it charges promoters for the sale or lease of broadcasting rights from $25,000 to $35,000 per event. In fiscal years 2010–11 and 2011–12, the commission reported 22 instances where it collected a maximum broadcasting fee from promoters. Beginning with fiscal year 2013–14, we estimate that the commission will realize approximately $110,000 annually as a result of these increased maximum fees.	
I2009-0640 (March 2013)	*California Department of Transportation: Caltrans Employees Engaged in Inexcusable Neglect of Duty, Received Overpayment for Overtime, Falsified Test Data, and Misappropriated State Property*	2,000
	Cost Recovery—A supervisor with the California Department of Transportation (Caltrans) improperly removed steel beams from a Caltrans facility. After discovering this, Caltrans paid $2,000 to transport the beams back to a Caltrans facility. We recommended that Caltrans seek reimbursement for the transportation cost from the supervisor.	
	Cost Recovery—Caltrans improperly paid two technicians $6,834 and $6,954, respectively, for overtime and differential work hours that they did not work. We recommended that Caltrans seek reimbursement of these payments.	14,000
2012-110 (April 2013)	*Special Interest License Plate Funds: The State Has Foregone Certain Revenues Related to Special Interest License Plates and Some Expenditures Were Unallowable or Unsupported*	12,000,000
	Lost Revenue—The Department of Motor Vehicles' (Motor Vehicles) policy is to collect retention fees for special license plates only when the plate owner notifies the department that he or she will again use the special plate on a vehicle. Using Motor Vehicles' unaudited available data and the fees prescribed in statutes, we estimate that, because of this policy, it did not collect retention fees of $12 million during fiscal years 2010–11 and 2011–12. We estimate that by implementing our recommendation to collect retention fees for all special plates retained by plate owners, Motor Vehicles could realize up to $6 million in increased revenue annually.	

REPORT NUMBER (DATE RELEASED)	ENTITY*/REPORT TITLE/ BASIS OF MONETARY VALUE	MONETARY VALUE
I2010-1045 (June 2013)	*California Department of Corrections and Rehabilitation and California Correctional Health Care Services: Both Agencies Wasted State Resources by Improperly Accounting for Leave Taken by Their Employees*	$127,000
	Wasted Funds—The Department of Corrections and Rehabilitation wasted $126,952 worth of leave time during the period October 2010 through September 2011 by undercharging the leave balances of its employees at six correctional facilities we examined. If what we found at the six facilities is representative of all correctional facilities during the period we examined, the amount wasted could be around $400,000.	
	Wasted Funds—California Correctional Health Care Services wasted $42,589 worth of leave time during the period October 2010 through September 2011 by undercharging the leave balances of its employees at one correctional facility we examined.	43,000
Annualized Carry Forward for July 1, 2012, Through June 30, 2013		**$106,515,000**
2002-009 (April 2003)	California Energy Markets	29,000,000
2003-125 (July 2004)	Department of Corrections and Rehabilitation	20,700,000
I2005-1 (March 2005)	Department of Corrections and Rehabilitation (Allegation I2003-0834)	119,000
2004-113 (July 2005)	Department of General Services	36,000
2004-134 (July 2005)	State Athletic Commission	33,000
2004-125 (August 2005)	Department of Health Services‡	10,300,000
I2005-2 (September 2005)	Department of Corrections and Rehabilitation (Allegations I2004-0649, I2004-0681, I2004-0789)	193,000
I2006-1 (March 2006)	Department of Fish and Wildlife (Allegation I2004-1057)	8,300,000
2007-037 (September 2007)	Department of Housing and Community Development	38,000
I2008-1 (April 2008)	Department of Corrections and Rehabilitation (Allegation I2006-0665)	50,000
I2008-1 (April 2008)	Department of Social Services (Allegation I2006-1040)	13,000
2007-122 (June 2008)	Department of Health Care Services	13,000,000
2008-103 (November 2008)	California Unemployment Insurance Appeals Board	61,000
2009-043 (November 2009)	Board of Pilot Commissioners for the Bays of San Francisco, San Pablo and Suisun	38,000
2009-030 (July 2009)	State Bar of California	285,000
2009-112 (May 2010)	Department of Health Care Services	4,700,000
2010-108 (June 2010)	Department of Public Health	3,566,000
2009-118 (August 2010)	Department of Developmental Services	15,000,000
I2011-1 (August 2011)	Department of State Hospitals (Allegation I2009-0644)	38,000
2010-124 (September 2011)	Department of Corrections and Rehabilitation	1,045,000
Total for July 1, 2011, Through June 30, 2012		**$184,189,000**
Total One-Time Benefits for July 1, 2011, Through June 30, 2012		**$15,794,000**
2010-125 (August 2011)	*State Lands Commission: Because It Has Not Managed Public Lands Effectively, the State Has Lost Millions in Revenue for the General Fund*	4,160,000
	Increased Revenue—The State Lands Commission (Commission) should develop and adhere to policies and procedures that incorporate the *State Administrative Manual's* guidance, including a process for consistently tracking delinquent leases. Also, the Commission should continue to implement its newly established holdover reduction procedures and evaluate whether the procedures are having their intended effect. Additionally, the Commission should conduct rent reviews on each fifth anniversary, as specified in its lease agreements, or include provisions in its leases to allow for the use of other strategies, such as adjusting rents annually using an inflation indicator. Finally, the Commission should amend its regulations for establishing pipeline rents on state land.	

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REPORT NUMBER (DATE RELEASED)	ENTITY*/REPORT TITLE/ BASIS OF MONETARY VALUE	MONETARY VALUE
I2011-1 (August 2011) (Allegation I2009-0644)	*Department of Mental Health§: Investigations of Improper Activities by State Employees*	$38,000
	Cost Savings—A senior official with the Department of Mental Health (Mental Health) improperly was paid for activities that either were taken on behalf of a nonstate organization or did not serve a state purpose. Mental Health should evaluate the need for the senior official's position.	
I2011-1 (August 2011) (Allegation I2010-0844)	*California Energy Commission: Investigations of Improper Activities by State Employees*	7,000
	Cost Recovery—An employee and personnel specialist at the California Energy Commission (Energy Commission) falsified time and attendance records to enable the employee, at the time of her retirement, to receive a payment for unused annual leave that was higher than the amount to which she was entitled. The Energy Commission should seek to recover the amount it improperly paid the retiring employee for unused annual leave hours.	
I2011-1 (August 2011) (Allegation I2009-0601)	*Department of Fish and Game†: Investigations of Improper Activities by State Employees*	9,000
	Cost Recovery—A manager at the Department of Fish and Game (Fish and Game) improperly directed an employee to use a state vehicle for commuting between her home and work locations during a nine-month period. In addition, the employee improperly requested, and the manager improperly approved, reimbursement for lodging and meal expenses incurred by the employee near her headquarters. Fish and Game should initiate repayment from the manager for the costs--totaling $9,000—associated with the misuse of the state vehicle and seek recovery of the improper lodging and meal reimbursements that were paid to the employee.	
I2011-1 (August 2011) (Allegation I2009-1476)	*State Controller's Office: Investigations of Improper Activities by State Employees*	7,000
	Cost Recovery—An employee of the State Controller's Office failed to report an estimated 322 hours of absences over an 18-month period. The State Controller's Office should seek reimbursement from the employee for the wages she did not earn.	
2010-124 (September 2011)	*Department of Corrections and Rehabilitation: The Benefits of Its Correctional Offender Management Profiling for Alternative Sanctions Program Are Uncertain*	1,045,000
	Cost Savings—The Department of Corrections should suspend its use of the COMPAS core and reentry assessments until it has issued regulations, updated its operations manual, and has demonstrated to the Legislature that it has a plan to measure and report COMPAS's effect on reducing recidivism.	
2011-111 (March 2012)	*Federal Workforce Investment Act: More Effective State Planning and Oversight Is Necessary to Better Help California's Job Seekers Find Employment*	10,500,000
	Lost Revenue—The Employment Development Department (EDD) missed opportunities to receive up to $10.5 million from six federal grants available for workforce investment, and thus it is not availing itself of additional funds the State can use to help job seekers obtain employment. Because EDD does not have a grant review and approval process that documents its identification of grant opportunities and its final decisions related to such opportunities, we were unable to substantiate EDD's reasons for foregoing grant opportunities.	
2011-119 (June 2012)	*Physical Therapy Board of California: Although It Can Make Improvements, It Generally Processes Complaints and Monitors Conflict-of-Interest Requirements Appropriately*	28,000
	Cost Savings—One of the Physical Therapy Board of California's (physical therapy board) expert consultants has served as the in-house consultant since approximately 2003, performing cursory reviews of certain complaints before they may be referred to other expert consultants in the field. We believe that the physical therapy board may be able to save approximately $28,000 to $35,000 annually if it can hire a state physical therapy consultant at existing state rates to perform the same work as its in-house consultant.	
Annualized Carry Forward for July 1, 2011, Through June 30, 2012		**$168,395,000**
2002-101 (July 2002)	Department of Corrections and Rehabilitation	58,000,000
2002-009 (April 2003)	California Energy Markets	29,000,000
2003-125 (July 2004)	Department of Corrections and Rehabilitation	20,700,000
2003-124 (August 2004)	Department of Health Services‡	4,600,000
I2004-2 (September 2004)	Department of Health Services‡ (Allegation I2002-0853)	9,000
I2004-2 (September 2004)	California Military Department (Allegation I2002-1069)	64,000

REPORT NUMBER (DATE RELEASED)	ENTITY*/REPORT TITLE/ BASIS OF MONETARY VALUE	MONETARY VALUE
2004-105 (October 2004)	Department of Corrections and Rehabilitation	$290,000
I2005-1 (March 2005)	Department of Corrections and Rehabilitation (Allegation I2003-0834)	119,000
2004-113 (July 2005)	Department of General Services	36,000
2004-134 (July 2005)	State Athletic Commission	33,000
2004-125 (August 2005)	Department of Health Services‡	10,300,000
I2005-2 (September 2005)	Department of Corrections and Rehabilitation (Allegations I2004-0649, I2004-0681, I2004-0789)	193,000
I2006-1 (March 2006)	Department of Fish and Wildlife (Allegation I2004-1057)	8,300,000
2007-037 (September 2007)	Department of Housing and Community Development	38,000
I2008-1 (April 2008)	Department of Corrections and Rehabilitation (Allegation I2006-0665)	50,000
I2008-1 (April 2008)	Department of Social Services (Allegation I2006-1040)	13,000
2007-122 (June 2008)	Department of Health Care Services	13,000,000
2008-103 (November 2008)	California Unemployment Insurance Appeals Board	61,000
2009-043 (November 2009)	Board of Pilot Commissioners for the Bays of San Francisco, San Pablo and Suisun	38,000
2009-030 (July 2009)	State Bar of California	285,000
2009-112 (May 2010)	Department of Health Care Services	4,700,000
2010-108 (June 2010)	Department of Public Health	3,566,000
2009-118 (August 2010)	Department of Developmental Services	15,000,000
Total for July 1, 2010, Through June 30, 2011		**$390,054,000**
Total One-Time Benefits for July 1, 2010, Through June 30, 2011		**$209,059,000**
2009-114 (July 2010)	*Department of General Services: It No Longer Strategically Sources Contracts and Has Not Assessed Their Impact on Small Businesses and Disabled Veteran Business Enterprises*	Unknown
	Cost Savings and Recovery—We recommended that the Department of General Services (General Services) determine if there are further opportunities to achieve savings for consultant-recommended categories of goods and services contracts. Also, General Services should follow procedures for identifying strategic sourcing opportunities and work to obtain comprehensive and accurate data on the specific items that state agencies are purchasing. Finally, General Services should implement standard procedures to recover identified overcharges. The potential savings to the State is currently unknown, but if General Services implements our recommendation, the savings will be quantifiable in the future. The report concludes that documents indicate that as a result of its initial strategic sourcing efforts, the State accrued at least $160 million in net savings from 33 contracts through June 30, 2007.	
2003-106 (October 2003; August 2010 Update)	*State Mandates: The High Level of Questionable Costs Claimed Highlights the Need for Structural Reform of the Process*	194,000,000
	Cost Recovery—We recommended that the State Controller's Office (Controller's Office) audit Peace Officers Procedural Bill of Rights (POBOR) claims that had been paid. In 2010 the Controller's Office informed the California State Auditor that it had audited $225 million in POBOR program claims and identified $194 million (86 percent of claims reviewed) in unallowable costs had been claimed.	
2009-118 (August 2010)	*Department of Developmental Services: A More Uniform and Transparent Procurement and Rate-Setting Process Would Improve the Cost-Effectiveness of Regional Centers*	15,000,000
	Cost Recovery—We found that the Department of Developmental Services (Developmental Services) did not generally examine how regional centers established rates or selected particular vendors. Our review found that the manner in which some regional centers established payment rates and selected vendors had the appearance of favoritism or fiscal irresponsibility. Based on our review of Developmental Services' recent fiscal audits, it has recovered roughly $15 million as a direct result of our recommendations and findings. If Developmental Services continues to carry out our recommendations, we estimate $15 million in continued annual savings through a combination of cost recovery and cost avoidance.	

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REPORT NUMBER (DATE RELEASED)	ENTITY*/REPORT TITLE/ BASIS OF MONETARY VALUE	MONETARY VALUE
2010-106 (November 2010)	*Dymally-Alatorre Bilingual Services Act: State Agencies Do Not Fully Comply With the Act, and Local Governments Could Do More to Address Their Clients' Needs*	$47,000
	Cost Savings—Some state agencies are not maximizing opportunities to reduce their costs to provide bilingual services by leveraging California Multiple Award Schedules contracts for interpretation and translation services.	
I2010-2 (January 2011) (Allegation I2008-1024)	*Department of General Services: Investigations of Improper Activities by State Employees*	12,000
	Cost Recovery—A manager with the Department of General Services (General Services) improperly used state vehicles for his daily commute for nine years. General Services should seek reimbursement from the manager for costs associated with his misuse of state vehicles.	
Annualized Carry Forward for July 1, 2010, Through June 30, 2011		**$180,995,000**
2002-101 (July 2002)	Department of Corrections and Rehabilitation	58,000,000
2002-009 (April 2003)	California Energy Markets	29,000,000
2002-118 (April 2003)	Department of Health Services‡	20,000,000
2003-106 (October 2003)	State Mandates	7,600,000
2003-125 (July 2004)	Department of Corrections and Rehabilitation	20,700,000
2003-124 (August 2004)	Department of Health Services‡	4,600,000
I2004-2 (September 2004)	Department of Health Services‡ (Allegation I2002-0853)	9,000
I2004-2 (September 2004)	California Military Department (Allegation I2002-1069)	64,000
2004-105 (October 2004)	Department of Corrections and Rehabilitation	290,000
I2005-1 (March 2005)	Department of Corrections and Rehabilitation (Allegation I2003-0834)	119,000
2004-113 (July 2005)	Department of General Services	36,000
2004-134 (July 2005)	State Athletic Commission	33,000
2004-125 (August 2005)	Department of Health Services‡	10,300,000
I2005-2 (September 2005)	Department of Corrections and Rehabilitation (Allegations I2004-0649, I2004-0681, I2004-0789)	193,000
I2006-1 (March 2006)	Department of Fish and Game (Allegation I2004-1057)	8,300,000
2007-037 (September 2007)	Department of Housing and Community Development	38,000
I2008-1 (April 2008)	Department of Corrections and Rehabilitation (Allegation I2006-0665)	50,000
I2008-1 (April 2008)	Department of Social Services (Allegation I2006-1040)	13,000
2007-122 (June 2008)	Department of Health Care Services	13,000,000
2008-103 (November 2008)	California Unemployment Insurance Appeals Board	61,000
2009-043 (November 2009)	Board of Pilot Commissioners for the Bays of San Francisco, San Pablo and Suisun	38,000
2009-030 (July 2009)	State Bar of California	285,000
2009-112 (May 2010)	Department of Health Care Services	4,700,000
2010-108 (June 2010)	Department of Public Health	3,566,000
Total for July 1, 2009, Through June 30, 2010		**$195,429,000**
Total One-Time Benefits for July 1, 2009, Through June 30, 2010		**$23,023,000**
2009-112 (May 2010)	*Department of Health Care Services: It Needs to Streamline Medi-Cal Treatment Authorizations and Respond to Authorization Requests Within Legal Time Limits*	4,700,000
	Cost Avoidance—If the Department of Health Care Services performed cost-benefit analyses on treatment authorizations requests (TARs) with very low denial rates, it could ascertain which TAR's administrative costs equaled or exceeded its savings. By performing this analysis, we estimate that it could save $4.7 million annually by identifying which TARs are not cost-effective to process and remove authorization requirements for these services.	

REPORT NUMBER (DATE RELEASED)	ENTITY*/REPORT TITLE/ BASIS OF MONETARY VALUE	MONETARY VALUE
2010-108 (June 2010)	*Department of Public Health: It Reported Inaccurate Financial Information and Can Likely Increase Revenues for the State and Federal Health Facilities Citation Penalties Accounts*	$70,000
	Increased Revenue—The Department of Public Health (Public Health) inappropriately granted a 35 percent reduction to health facility penalties totaling $70,000. This error was largely because the database that Public Health uses to calculate penalty reductions was not programmed to reflect the correct dates to calculate penalties. Also, Public Health could have generated $95,000 if it had assessed interest on penalties stalled in the appeals process. It also could have increased revenue by $3.3 million during the period of fiscal year 2003–04 through March 2010 if it had updated the monetary penalties amounts based on inflation rates. Finally, Public Health could have generated $101,220 if it had included certain accounts in the Surplus Money Investment Fund as opposed to the Pooled Money Investment Account.	95,000 3,300,000 101,000
I2010-1 (June 2010) (Allegation I2008-1066)	*Department of Industrial Relations: Investigations of Improper Activities by State Employees*	70,000
	Cost Recovery—An inspector at the Department of Industrial Relations, Division of Occupational Safety and Health, misused state resources and improperly engaged in dual employment during her state work hours, for which she received $70,105 in inappropriate payments.	
I2010-1 (June 2010) (Allegation I2008-0920)	*Department of Corrections and Rehabilitation: Investigations of Improper Activities by State Employees*	111,000
	Wasted Funds—A supervisor at Heman G. Stark Correctional Facility misused the time of two psychiatric technicians by assigning them to perform the tasks of a lower-paid classification. This misuse of the employees' time resulted in a loss to the State of $110,797.	
	Cost Savings—A supervisor at Heman G. Stark Correctional Facility misused the time of two psychiatric technicians by assigning them to perform the clerical and administrative tasks. When these employees returned to their normal duties, the Department of Corrections and Rehabilitation did not hire any other employees to perform the clerical and administrative tasks, resulting in a cost savings to the State of $75,824.	76,000
I2010-1 (June 2010) (Allegation I2008-1037)	*California State University, Northridge: Investigations of Improper Activities by State Employees*	21,000
	Cost Recovery—An employee of California State University, Northridge (Northridge), improperly allowed a business owner and associates to use a university laboratory facility, equipment, and supplies without compensating Northridge. After this investigation, Northridge received payment of $20,709 from the business owner.	
2009-030 (July 2009)	*State Bar of California: It Can Do More to Manage Its Disciplinary System and Probation Processes Effectively and to Control Costs*	850,000
	Lost Revenue/Increased Revenues—The State Bar of California (State Bar) has not updated the formula it uses to bill disciplined attorneys, although the discipline costs have increased 30 percent during the last five years. We estimate that if it had updated the billing formula, it could have billed an additional $850,000 for the past three years. Additionally, if the State Bar updates the formula, we estimate that it could increase revenue in future years by approximately $285,000 annually.	
2009-101 (November 2009)	*Department of Social Services: For the CalWORKs and Food Stamp Programs, It Lacks Assessments of Cost-Effectiveness and Misses Opportunities to Improve Counties' Antifraud Efforts*	12,450,000
	Cost Recovery—Since December 2003 counties have received millions of dollars in overpayments recovered from food stamp recipients. However, the Department of Social Services (Social Services) has been delayed in taking the steps needed to claim its share of these overpayments—approximately $12.45 million. As a result of the six-year delay in addressing this issue, we estimate Social Services lost approximately $1.1 million in interest on its share of the funds.	1,100,000
I2009-0702 (November 2009)	*Department of Corrections and Rehabilitation: Its Poor Internal Controls Allowed Facilities to Overpay Employees for Inmate Supervision*	35,000
	Cost Recovery—The Department of Corrections and Rehabilitation (Corrections) made almost $35,000 in overpayments to 23 employees for inmate supervision, and we recommended that Corrections recover the overpayments from the employees.	

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REPORT NUMBER (DATE RELEASED)	ENTITY*/REPORT TITLE/ BASIS OF MONETARY VALUE	MONETARY VALUE
2009-043 (November 2009)	*Board of Pilot Commissioners for the Bays of San Francisco, San Pablo and Suisun: It Needs to Develop Procedures and Controls Over Its Operations and Finances to Ensure That It Complies With Legal Requirements*	$9,000
	Increased Revenue—The Board of Pilot Commissioners (board) did not receive all revenues for the surcharge to fund training new pilots, as required by law. By collecting these fees, we calculated that the board will collect an additional $8,640 annually based on the current surcharge of $9 per trainee.	
	Cost Savings—The board offers free parking to employees, which may constitute a misuse of state resources. By cancelling its lease for parking, the board will save the total value of the lease, $4,760 over the course of a year. Additionally, if the board ceases reimbursing pilots for business-class airfare when they fly for training, we believe that it will incur a savings in the future. We believe these future savings will be approximately $30,000 annually.	5,000 30,000
Annualized Carry Forward for July 1, 2009, Through June 30, 2010		**$172,406,000**
2002-101 (July 2002)	Department of Corrections and Rehabilitation	58,000,000
2002-009 (April 2003)	California Energy Markets	29,000,000
2002-118 (April 2003)	Department of Health Services‡	20,000,000
2003-106 (October 2003)	State Mandates	7,600,000
2003-125 (July 2004)	Department of Corrections and Rehabilitation	20,700,000
2003-124 (August 2004)	Department of Health Services‡	4,600,000
I2004-2 (September 2004)	Department of Health Services‡ (Allegation I2002-0853)	9,000
I2004-2 (September 2004)	California Military Department (Allegation I2002-1069)	64,000
2004-105 (October 2004)	Department of Corrections and Rehabilitation	290,000
I2005-1 (March 2005)	Department of Corrections and Rehabilitation (Allegation I2003-0834)	119,000
2004-113 (July 2005)	Department of General Services	36,000
2004-134 (July 2005)	State Athletic Commission	33,000
2004-125 (August 2005)	Department of Health Services‡	10,300,000
I2005-2 (September 2005)	Department of Corrections and Rehabilitation (Allegations I2004-0649, I2004-0681, I2004-0789)	193,000
I2006-1 (March 2006)	Department of Fish and Wildlife (Allegation I2004-1057)	8,300,000
2007-037 (September 2007)	Department of Housing and Community Development	38,000
I2008-1 (April 2008)	Department of Corrections and Rehabilitation (Allegation I2006-0665)	50,000
I2008-1 (April 2008)	Department of Social Services (Allegation I2006-1040)	13,000
2007-122 (June 2008)	Department of Health Care Services	13,000,000
2008-103 (November 2008)	California Unemployment Insurance Appeals Board	61,000
Total for July 1, 2008, Through June 30, 2009		**$175,426,000**
Total One-Time Benefits for July 1, 2008, Through June 30, 2009		**$1,931,000**
2007-040 (September 2008)	*Department of Public Health: Laboratory Field Services' Lack of Clinical Laboratory Oversight Places the Public at Risk*	1,020,000
	Increased Revenue—The Department of Public Health (Public Health) incorrectly adjusted the fees it charged to clinical laboratories, resulting in more than $1 million in lost revenue. Public Health should adjust fees in accordance with the budget act.	
I2008-2 (October 2008) (Allegation I2006-0826)	*Department of Corrections and Rehabilitation: Investigations of Improper Activities by State Employees*	17,000
	Cost Recovery—The Department of Corrections and Rehabilitation (Corrections) improperly paid nine office technicians a total of $16,530 for supervising inmates when the technicians did not qualify to receive the money.	

REPORT NUMBER (DATE RELEASED)	ENTITY*/REPORT TITLE/ BASIS OF MONETARY VALUE	MONETARY VALUE
I2008-2 (October 2008) (Allegation I2008-0678)	*California Environmental Protection Agency: Investigations of Improper Activities by State Employees*	$23,000
	Cost Recovery—The California Environmental Protection Agency paid an employee for 768 hours for which she was not at work and for which no leave balance was charged or used.	
I2008-2 (October 2008) (Allegation I2007-1049)	*Department of Housing and Community Development: Investigations of Improper Activities by State Employees*	35,000
	Cost Recovery—A full-time employee of the Department of Housing and Community Development simultaneously worked full-time at a nonprofit organization for a year, along with other time and attendance abuses.	
I2008-2 (October 2008) (Allegation I2007-0917)	*Department of Corrections and Rehabilitation: Investigations of Improper Activities by State Employees*	108,000
	Cost Recovery—The Department of Corrections and Rehabilitation improperly compensated two physicians for 3,025 hours of work on a time-and-a-half basis rather than on an hour-for-hour basis.	
I2008-2 (October 2008) (Allegation I2007-0771)	*State Personnel Board: Investigations of Improper Activities by State Employees*	14,000
	Wasted Funds—The State Personnel Board approved contracts with a retired annuitant and a retired employee without providing reasonable justification for the contract or the contract amount.	
2008-103 (November 2008)	*California Unemployment Insurance Appeals Board: Its Weak Policies and Practices Could Undermine Employment Opportunity and Lead to the Misuse of State Resources*	20,000
	Cost Savings—We identified parking spaces maintained by the Unemployment Insurance Appeals Board (board) for which the board had little assurance were being used for their intended and allowable purposes. In March 2009 the board eliminated 31 of its 35 parking spaces, which will save $61,000 annually. We are showing a benefit of $20,000 for the remainder of fiscal year 2008–09.	
I2009-1 (April 2009) (Allegation I2006-1125)	*Department of Fish and Game†, Office of Spill Prevention and Response: Investigations of Improper Activities by State Employees*	72,000
	Cost Recovery—A high level official formerly with the Office of Spill Prevention and Response of the Department of Fish and Game incurred $71,747 in improper travel expenses she was not entitled to receive.	
I2009-1 (April 2009) (Allegation I2007-0909)	*State Compensation Insurance Fund: Investigations of Improper Activities by State Employees*	8,000
	Cost Recovery—An employee of the State Compensation Insurance Fund (State Fund) failed to report 427 hours of absences. Consequently, State Fund did not charge the employee's leave balances for these absences, and it paid her $8,314 for hours she did not work.	
I2009-1 (April 2009) (Allegation I2007-0891)	*Department of Corrections and Rehabilitation and Department of General Services: Investigations of Improper Activities by State Employees*	580,000
	Wasted Funds—The departments of Corrections and Rehabilitation and General Services wasted $580,000 in state funds by continuing to lease 5,900 square feet of office space that was left unoccupied for more than four years.	
2009-042 (May 2009)	*Children's Hospital Program: Procedures for Awarding Grants Are Adequate, but Some Improvement Is Needed in Managing Grants and Complying With the Governor's Bond Accountability Program*	34,000
	Lost Revenue—We identified interest revenues totaling $34,000 the California Health Financing Authority (authority) did not recover from grantees on advanced funds. The authority can recover a currently unidentifiable amount of revenue if it requires grantees to place future advances of funds in interest bearing accounts. The amount of future funds that will be advanced, as opposed to disbursed for reimbursement expenditures, as well as the associated interest earnings are not predictable.	
Annualized Carry Forward for July 1, 2008, Through June 30, 2009		**$173,495,000**
2002-101 (July 2002)	Department of Corrections and Rehabilitation	58,000,000
2002-009 (April 2003)	California Energy Markets	29,000,000
2002-118 (April 2003)	Department of Health Services‡	20,000,000
2003-106 (October 2003)	State Mandates	7,600,000
2003-125 (July 2004)	Department of Corrections and Rehabilitation	20,700,000

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REPORT NUMBER (DATE RELEASED)	ENTITY*/REPORT TITLE/ BASIS OF MONETARY VALUE	MONETARY VALUE
2003-124 (August 2004)	Department of Health Services‡	$4,600,000
I2004-2 (September 2004)	Department of Health Services‡ (Allegation I2002-0853)	9,000
I2004-2 (September 2004)	California Military Department (Allegation I2002-1069)	64,000
2004-105 (October 2004)	Department of Corrections and Rehabilitation	290,000
I2005-1 (March 2005)	Department of Corrections and Rehabilitation (Allegation I2003-0834)	119,000
2004-113 (July 2005)	Department of General Services	1,186,000
2004-134 (July 2005)	State Athletic Commission	33,000
2004-125 (August 2005)	Department of Health Services‡	10,300,000
I2005-2 (September 2005)	Department of Corrections and Rehabilitation (Allegations I2004-0649, I2004-0681, I2004-0789)	193,000
I2006-1 (March 2006)	Department of Fish and Wildlife (Allegation I2004-1057)	8,300,000
2007-037 (September 2007)	Department of Housing and Community Development	38,000
I2008-1 (April 2008)	Department of Corrections and Rehabilitation (Allegation I2006-0665)	50,000
I2008-1 (April 2008)	Department of Social Services (Allegation I2006-1040)	13,000
2007-122 (June 2008)	Department of Health Care Services	13,000,000
Total for July 1, 2007, Through June 30, 2008		**$161,186,000**
Total One-Time Benefits for July 1, 2007, Through June 30, 2008		**$14,142,000**
I2007-2 (September 2007) (Allegation I2006-1099)	*Department of Mental Health§: Investigations of Improper Activities by State Employees*	19,000
	Wasted Funds—The Department of Mental Health misused state funds designated to purchase two vehicles for law enforcement purposes by improperly using the vehicles for non-law enforcement purposes, including commuting.	
2007-037 (September 2007)	*Department of Housing and Community Development: Awards of Housing Bond Funds Have Been Timely and Complied With the Law, but Monitoring of the Use of Funds Has Been Inconsistent*	38,000
	Lost Revenue—Excessive advances are provided without consideration for interest earnings the State could receive. Without corrective action, this loss could continue for the life of the program.	
I2007-2 (September 2007) (Allegation I2007-0715)	*California Highway Patrol: Investigations of Improper Activities by State Employees*	882,000
	Wasted Funds—The California Highway Patrol (CHP) spent $881,565 for 51 vans it had not used for their intended purposes. We calculated that the CHP lost $90,385 in interest because it bought the vans two years prior to when it needed them.	90,000
2007-109 (November 2007)	*DNA Identification Fund: Improvements Are Needed in Reporting Fund Revenues and Assessing and Distributing DNA Penalties, but Counties and Courts We Reviewed Have Properly Collected Penalties and Transferred Revenues to the State*	32,000
	Increased Revenue—Counties did not always assess and collect all required DNA penalties.	
I2008-1 (April 2008) (Allegation I2006-0665)	*Department of Corrections and Rehabilitation: Investigations of Improper Activities by State Employees*	50,000
	Wasted Funds—The Department of Corrections and Rehabilitation leased 29 parking spaces at a private parking facility but did not use them.	
I2008-1 (April 2008) (Allegation I2006-1040)	*Department of Social Services: Investigations of Improper Activities by State Employees*	13,000
	Cost Recovery/Cost Savings—The Department of Social Services (Social Services) improperly paid contractors for overhead costs that violated state policy. Social Services also will avoid these improper payments totaling about $13,000 annually in the future.	
I2008-1 (April 2008) (Allegation I2007-0958)	*Department of Justice: Investigations of Improper Activities by State Employees*	18,000
	Cost Recovery—The Department of Justice paid compensation to five employees that they may not have earned over a nine-month period.	

REPORT NUMBER (DATE RELEASED)	ENTITY*/REPORT TITLE/ BASIS OF MONETARY VALUE	MONETARY VALUE
2007-122 (June 2008)	*Department of Health Care Services: Although Notified of Changes in Billing Requirements, Providers of Durable Medical Equipment Frequently Overcharged Medi-Cal*	$13,000,000
	Cost Recovery—The Department of Health Care Services (department) has identified overbilling to Medi-Cal by equipment providers. We estimated the department has overpaid providers by approximately $13 million during the period from October 2006 through September 2007. This is a one-time cost recovery to the department if they collect all overpayments.	
	Cost Savings—If the department implements our recommendation to identify more feasible Medi-Cal reimbursement monitoring and enforcement, we estimate that it could continue to avoid $13 million in overpayments annually.	
Annualized Carry Forward for July 1, 2007, Through June 30, 2008		**$147,044,000**
2002-101 (July 2002)	Department of Corrections and Rehabilitation	43,500,000
2002-009 (April 2003)	California Energy Markets	29,000,000
2002-118 (April 2003)	Department of Health Services‡	20,000,000
2003-106 (October 2003)	State Mandates	7,600,000
2003-125 (July 2004)	Department of Corrections and Rehabilitation	20,700,000
2003-124 (August 2004)	Department of Health Services‡	4,600,000
I2004-2 (September 2004)	Department of Health Services‡ (Allegation I2002-0853)	9,000
I2004-2 (September 2004)	California Military Department (Allegation I2002-1069)	64,000
2004-105 (October 2004)	Department of Corrections and Rehabilitation	290,000
I2005-1 (March 2005)	Department of Corrections and Rehabilitation (Allegation I2003-0834)	119,000
2004-113 (July 2005)	Department of General Services	2,336,000
2004-134 (July 2005)	State Athletic Commission	33,000
2004-125 (August 2005)	Department of Health Services‡	10,300,000
I2005-2 (September 2005)	Department of Corrections and Rehabilitation (Allegations I2004-0649, I2004-0681, I2004-0789)	193,000
I2006-1 (March 2006)	Department of Fish and Wildlife (Allegation I2004-1057)	8,300,000
Total for July 1, 2006, Through June 30, 2007		**$154,575,000**
Total One-Time Benefits for July 1, 2006, Through June 30, 2007		**$6,111,000**
I2006-2 (September 2006) (Allegation I2006-0663)	*Department of Forestry and Fire Protection: Investigations of Improper Activities by State Employees*	18,000
	Cost Recovery—Between January 2004 and December 2005 an employee with the Department of Forestry and Fire Protection improperly claimed and received $17,904 in wages for 672 hours he did not work in violation of state law.	
2006-035 (February 2007)	*Department of Health Services‡: It Has Not Yet Fully Implemented Legislation Intended to Improve the Quality of Care in Skilled Nursing Facilities*	5,300,000
	Cost Recovery—A contractor consultant authorized long-term care Medi-Cal duplicate payments. The Department of Health Services will recoup approximately $5.3 million from facilities that received duplicate payments and an additional $780,000 for duplicate or overlapping payments made to one or more different provider entities. Since authorization for the duplicate payments occurred because of a flawed procedure, the error may have caused other duplicate payments outside those we identified.	780,000
I2007-1 (March 2007) (Allegation I2006-0945)	*California Exposition and State Fair: Investigations of Improper Activities by State Employees*	6,000
	Cost Recovery—An official within the California Exposition and State Fair (Cal Expo) sold his personal vehicle to Cal Expo. Because he was involved in the decision to make this purchase while acting in his official capacity and because he derived a personal financial benefit, this official violated the Political Reform Act of 1974 and Section 1090 of the California Government Code. Cal Expo has indicated that it has reversed the transaction regarding the vehicle, resulting in the reimbursement of $5,900 to Cal Expo and the return of the vehicle to the prior owner.	

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REPORT NUMBER (DATE RELEASED)	ENTITY*/REPORT TITLE/ BASIS OF MONETARY VALUE	MONETARY VALUE
I2007-1 (March 2007) (Allegation I2006-0731)	*Department of Health Care Services: Investigations of Improper Activities by State Employees*	$7,000
	Cost Recovery—An employee of the Department of Health Care Services violated regulations covering travel expense reimbursements and payment of commuting expenses resulting in overpayments totaling $7,453.	
Annualized Carry Forward for July 1, 2006, Through June 30, 2007		**$148,464,000**
2001-128 (April 2002)	Enterprise Licensing Agreement	8,120,000
2002-101 (July 2002)	Department of Corrections and Rehabilitation	29,000,000
2002-009 (April 2003)	California Energy Markets	29,000,000
2002-118 (April 2003)	Department of Health Services‡	20,000,000
2003-106 (October 2003)	State Mandates	7,600,000
2003-125 (July 2004)	Department of Corrections and Rehabilitation	20,700,000
2003-124 (August 2004)	Department of Health Services‡	4,600,000
I2004-2 (September 2004)	Department of Health Services‡ (Allegation I2002-0853)	9,000
I2004-2 (September 2004)	California Military Department (Allegation I2002-1069)	64,000
2004-105 (October 2004)	Department of Corrections and Rehabilitation	290,000
I2005-1 (March 2005)	Department of Corrections and Rehabilitation (Allegation I2003-0834)	119,000
2004-033 (May 2005)	Pharmaceuticals	7,800,000**
2004-113 (July 2005)	Department of General Services	2,336,000††
2004-134 (July 2005)	State Athletic Commission	33,000
2004-125 (August 2005)	Department of Health Services‡	10,300,000
I2005-2 (September 2005)	Department of Corrections and Rehabilitation (Allegations I2004-0649, I2004-0681, I2004-0789)	193,000
I2006-1 (March 2006)	Department of Fish and Wildlife (Allegation I2004-1057)	8,300,000
Total for January 1, 2006, Through June 30, 2006		**$64,903,000**
Total One-Time Benefits for January 1, 2006, Through June 30, 2006		**$8,502,000**
I2006-1 (March 2006) (Allegation I2005-0781)	*Department of Corrections and Rehabilitation: Investigations of Improper Activities by State Employees*	70,000
	Cost Recovery—The Department of Corrections and Rehabilitation failed to exercise its management controls, resulting in gifts of public funds of $70,255 in leave not charged.	
I2006-1 (March 2006) Allegations I2005-0810, I2005-0874, I2005-0929)	*Department of Forestry and Fire Protection: Investigations of Improper Activities by State Employees*	61,000
	Cost Recovery—Several employees of the Department of Forestry and Fire Protection received $61,466 in improper overtime payments.	
I2006-1 (March 2006) (Allegations I2004-0983, I2005-1013)	*Victim Compensation and Government Claims Board: Investigations of Improper Activities by State Employees*	26,000
	Cost Recovery—The Department of Corrections and Rehabilitation (Corrections) improperly awarded payments to a physician at Corrections totaling $25,950.	
I2006-1 (March 2006) (Allegation I2004-1057)	*Department of Fish and Game†: Investigations of Improper Activities by State Employees*	8,300,000
	Increased Revenue—The Department of Fish and Game allowed several state employees and volunteers to reside in state-owned homes without charging them rent, consequently providing gifts of public funds. A subsequent housing review conducted by the Department of Personnel Administration demonstrated that all 13 state departments that own employee housing may be underreporting or failing to report housing fringe benefits. As a result, the State could increase revenues as much as $8.3 million by charging fair-market rents.	

REPORT NUMBER (DATE RELEASED)	ENTITY*/REPORT TITLE/ BASIS OF MONETARY VALUE	MONETARY VALUE
2005-120 (April 2006)	*California Student Aid Commission: Changes in the Federal Family Education Loan Program, Questionable Decisions, and Inadequate Oversight Raise Doubts About the Financial Stability of the Student Loan Program*	$45,000§§
	Cost Savings/Avoidance—We recommended that the Student Aid Commission amend its operating agreement to require EDFUND to establish a travel policy that is consistent with the State's policy and that it closely monitor EDFUND expenses paid out of the Operating Fund for conferences, workshops, all-staff events, travel, and the like. By implementing policy changes as recommended, we estimate EDFUND could save a minimum of $45,000 annually.	
Annualized Carry Forward for January 1, 2006, Through June 30, 2006		**$56,401,000**
2001-128 (April 2002)	Enterprise Licensing Agreement	4,060,000
2002-101 (July 2002)	Department of Corrections and Rehabilitation	7,250,000
2002-009 (April 2003)	California Energy Markets	14,500,000
2002-118 (April 2003)	Department of Health Services‡	10,000,000
2003-106 (October 2003)	State Mandates	3,800,000
2003-125 (July 2004)	Department of Corrections and Rehabilitation	10,350,000
2003-124 (August 2004)	Department of Health Services‡	2,300,000
I2004-2 (September 2004)	Department of Health Services‡ (Allegation I2002-0853)	4,500
I2004-2 (September 2004)	Military Department (Allegation I2002-1069)	32,000
2004-105 (October 2004)	Department of Corrections and Rehabilitation	145,000
I2005-1 (March 2005)	Department of Corrections and Rehabilitation (Allegation I2003-0834)	59,500
2004-033 (May 2005)	Pharmaceuticals	3,900,000
Benefits Identified Prior to 2006, but Have Annualized Carry Forward Values		
2001-128 (April 2002)	*Enterprise Licensing Agreement: The State Failed to Exercise Due Diligence When Contracting With Oracle, Potentially Costing Taxpayers Millions of Dollars*	
	Cost Savings—The State and Oracle agreed to rescind the contract in July 2002. As a result, we estimate the State will save $8,120,000 per year for five years starting in fiscal year 2002–03.	
2002-101 (July 2002)	*California Department of Corrections‡‡: A Shortage of Correctional Officers, Along With Costly Labor Agreement Provisions, Raises Both Fiscal and Safety Concerns and Limits Management's Control*	
	Cost Savings—We estimate that the Department of Corrections and Rehabilitation (Corrections) could save $58 million if it reduces overtime costs by filling unmet correctional officer needs. This estimate includes the $42 million we identified in our November 2001 report (2001-108). Corrections stated in its six-month response to this audit that, following our recommendation to increase the number of correctional officer applicants, it has submitted a proposal to restructure its academy to allow two additional classes each year. This action could potentially allow Corrections to graduate several hundred more correctional officers each year, thereby potentially contributing to a reduction in its overtime costs. However, any savings from this action would be realized in future periods. We estimate that Corrections could realize savings of $14.5 million beginning in fiscal year 2005–06, with savings increasing each year until reaching $58 million in fiscal year 2008–09.	
2002-009 (April 2003)	*California Energy Markets: The State's Position Has Improved, Due to Efforts by the Department of Water Resources and Other Factors, but Cost Issues and Legal Challenges Continue*	
	Cost Savings—In response to an audit recommendation, the Department of Water Resources (Water Resources) renegotiated certain energy contracts. Water Resources' consultant estimates that the present value of the potential cost savings due to contract renegotiation efforts as of December 31, 2002, by Water Resources and power suppliers, when considering replacement power costs, to be $580 million. For the purpose of this analysis, we have computed the average annual cost savings by dividing the $580 million over the 20-year period the savings will be realized, which results in $29 million annually.	

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REPORT NUMBER (DATE RELEASED)	ENTITY*/REPORT TITLE/ BASIS OF MONETARY VALUE	MONETARY VALUE
2002-118 (April 2003)	*Department of Health Services‡: Its Efforts to Further Reduce Prescription Drug Costs Have Been Hindered by Its Inability to Hire More Pharmacists and Its Lack of Aggressiveness in Pursuing Available Cost-Saving Measures*	
	Cost Savings—Health Services estimated that it could save $20 million annually by placing the responsibility on the pharmacists to recover $1 copayments they collect from each Medi-Cal beneficiary filling a prescription. We estimate the State could begin to receive these savings each year beginning in fiscal year 2003–04.	
I2004-2 (September 2004) (Allegation I2002-0853)	*Department of Health Services‡: Investigations of Improper Activities by State Employees*	
	Cost Savings/Avoidance—We found that managers and employees at the Department of Health Services' (Health Services) Medical Review Branch office in Southern California regularly used state vehicles for their personal use. We estimate Health Services could save an average of $9,260 each year because its employees no longer use state vehicles for personal use.	
I2004-2 (September 2004) (Allegation I2002-1069)	*Military Department: Investigations of Improper Activities by State Employees*	
	Cost Savings/Avoidance—We found that the California Military Department (Military) improperly granted employees an increase in pay they were not entitled to receive. Because Military has returned all the overpaid employees to their regular pay levels, it should be able to save approximately $64,200 each year.	
I2005-1 (March 2005) (Allegation I2003-0834)	*Department of Corrections‡‡: Investigations of Improper Activities by State Employees*	
	Cost Recovery/Cost Savings—In violation of state regulations and employee contract provisions, the Department of Corrections (Corrections) paid 25 nurses at four institutions nearly $238,200 more than they were entitled to receive between July 1, 2001, and June 30, 2003. In addition to recovering past overpayments, Corrections can save $119,000 annually by discontinuing this practice. Although Corrections now contends that the payments to 10 of the 25 nurses were appropriate, despite repeated requests, it has not provided us the evidence supporting its contention. Thus, we have not revised our original estimate.	
2004-033 (May 2005)	*Pharmaceuticals: State Departments That Purchase Prescription Drugs Can Further Refine Their Cost Savings Strategies*	
	Cost Savings/Avoidance—In a prior audit, we had noted that opportunities existed for the Department of General Services (General Services) to increase the amount of purchases made under contract with drug companies, and we recommended in this audit that General Services continue its efforts to obtain more drug prices on contract by working with its contractor to negotiate new and renegotiate existing contracts with certain manufacturers. General Services reports that it has implemented contracts that it estimates will save the State $5.1 million annually.	
	Cost Recovery—As we recommended, the Department of Health Services identified and corrected all of the drug claims it paid using an incorrect pricing method. It expects to recoup the nearly $2.5 million in net overpayments that resulted from its error.	
2004-113 (July 2005)	*Department of General Services: Opportunities Exist Within the Office of Fleet Administration to Reduce Costs*	
	Cost Savings/Avoidance—The Department of General Services (General Services) expects that the new, more competitive contracts it awarded for January 2006 through December 2008 should save the State about $2.3 million each year. Cost savings reflect six months—January through June 2006.	
	Increased Revenue—General Services identified 49 parkers it was not previously charging. By charging these parkers, General Services will experience increased revenue totaling $36,000 per year.	
	Cost Recovery—General Services reports it has recovered or established a monthly payment plan to recover $45,000 in previously unpaid parking fees.	
2004-134 (July 2005)	*State Athletic Commission: The Current Boxers' Pension Plan Benefits Only a Few and Is Poorly Administered*	
	Increased Revenue—If the State Athletic Commission raises the ticket assessment to meet targeted pension contributions as required by law, we estimate it will collect an average of $33,300 more per year.	

REPORT NUMBER (DATE RELEASED)	ENTITY*/REPORT TITLE/ BASIS OF MONETARY VALUE	MONETARY VALUE
2004-125 (August 2005)	*Department of Health Services‡: Participation in the School-Based Medi-Cal Administrative Activities Program Has Increased, but School Districts Are Still Losing Millions Each Year in Federal Reimbursements*	
	Increased Revenue—We estimate that California school districts would have received at least $53 million more in fiscal year 2002–03 if all school districts had participated in the program and an additional $4 million more if certain participating schools had fully used the program. A lack of program awareness was among the reasons school districts cited for not participating. By stepping up outreach, we believe more schools will participate in the program and revenues will continue to increase. However, because participation continued to increase between fiscal years 2002–03 and 2004–05, the incremental increase in revenue will be less than it was in fiscal year 2002–03. Taking into account this growth in participation and using a trend line to estimate the resulting growth in revenues, we estimate that revenues will increase by about $10.3 million per year beginning in fiscal year 2005–06.	
I2005-2 (September 2005) (Allegations I2004-0649, I2004-0681, I2004-0789)	*Department of Corrections‡‡: Investigations of Improper Activities by State Employees*	
	Cost Recovery—The Department of Corrections (Corrections) failed to properly account for the time that employees used when released from their regular job duties to perform union-related activities. In addition to recovering past payments totaling $365,500, Corrections can save $192,500 annually by discontinuing this practice.	

* This table covers an eight-year span and several departments have undergone name changes. To be consistent, we use each department's current name throughout the table.

† As of January 1, 2013, the Department of Fish and Game became the Department of Fish and Wildlife.

‡ On July 7, 2007, the Department of Health Services was reorganized and became two departments—the Department of Health Care Services and the Department of Public Heath.

§ As of July 1, 2012, the California Department of Mental Health became the Department of State Hospitals.

‖ On July 1, 2012, the State Personnel Board and the Department of Personnel Administration were combined to create the California Department of Human Resources.

** Based on our follow-up work (Report 2007-501), we will discontinue claiming $7.8 million as of fiscal year 2007–08 because General Services' two new pharmaceutical contracts will expire November 2007. This monetary value was previously listed at $5.1 million. However, according to General Services, its strategic sourcing contractor assisted it in negotiating two new pharmaceutical contracts for the period of November 2005 to November 2007 that General Services believed would result in increased savings to the State. Our follow-up report indicates that the State appears to have achieved savings of $7.8 million during the first 10 months of these two new contracts. See report number 2007-501 (June 2007).

†† Based on our follow-up audit 2007-502, issued May 2007, we reduced General Services' expected $3 million of cost savings we reported in 2005 to $2.3 million of potential savings.

‡‡ On July 1, 2005, the governor reorganized all departments under the Youth and Adult Correctional Agency, including the Department of Corrections, into the California Department of Corrections and Rehabilitation.

§§ We will discontinue claiming $45,000 as of this fiscal year. Changes to state law impacted the role previously performed by the Student Aid Commission (commission). As directed by the U.S. Department of Education in November 2010, the commission transferred its federal student loan portfolio—which was serviced by EdFund—to the Educational Credit Management Corporation (ECMC).

California State Auditor

February 2014

Report 2014-406 S

Implementation of State Auditor's Recommendations

Special Report to Senate Budget Subcommittees

Reports Released in January 2012 Through December 2013

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California State Auditor

Elaine M. Howle State Auditor
Doug Cordiner Chief Deputy

February 13, 2014 2014-406 S

Members of the Senate Budget & Fiscal Review Committee
State Capitol
Sacramento, California 95814

Dear Members of the Senate Budget & Fiscal Review Committee:

The California State Auditor presents this special report for the legislative budget subcommittees, which summarizes audits and investigations we issued from January 2012 through December 2013. The purpose of this report is to assist the Senate Budget & Fiscal Review Committee in identifying issues it may want to explore in subcommittee hearings. It is intended to provide transparency in what actions, if any, audited and investigated entities have taken in response to our specific findings and recommendations. This report includes the major findings and recommendations along with the status of corrective actions the audited and investigated entities reportedly have taken to implement our recommendations. To better assist you, we have highlighted those recommendations that remain not fully implemented.

Our policy requests that entities provide a written response to the audit findings and recommendations before the audit report is issued publicly. As a follow-up, state law requires the entity to provide updates on their implementation of audit recommendations, and we request these updates at 60 days, six months, and one year after the report's public release. For investigations, state law requires state agencies that are the subject of an investigation to provide updates on their implementation of recommendations within 60 days of receiving the report and monthly thereafter until the agency has taken final action. Further, we follow up with every entity that we determine has not fully implemented one or more recommendations within one year of the issuance of an audit or investigative report and request an update on the entity's plans to implement the outstanding recommendations.

This report is organized by recommendations that fall within the jurisdiction of each of the individual Senate Budget Subcommittees. For example, the section for Senate Subcommittee 1 on Education identifies recommendations our office made on issues ranging from the proper reporting of campus crimes to migrant education. The section for Senate Subcommittee 3 on Health and Human Services identifies recommendations on issues such as the timely resolution of child abuse allegations and the implementation of the Mental Health Services Act.

Please note that some reports may involve more than one issue or cross the jurisdictions of more than one subcommittee. In Table 1, we provide the report title, recommendations, and action taken by the entity. A more detailed description of the auditor's assessment of the entity's actions can be accessed on our Web site at www.auditor.ca.gov under the "Publications" tab.

Our audit efforts bring the greatest return when the entity acts upon our findings and recommendations. Table 2 summarizes the monetary value associated with certain findings

continued on next page . . .

from reports we issued during the period January 1, 2006, through December 31, 2013. We have indicated the nature of the monetary value in the following categories: cost recovery, cost savings, cost avoidance, increased revenue, and wasted funds. We estimate that if entities implemented our recommendations contained in these reports, they could realize more than $1.5 billion in monetary value either by reducing costs, increasing revenues, or avoiding wasteful spending. For example, our April 2013 report on special interest license plate funds found that the Department of Motor Vehicles (Motor Vehicles) has a policy to collect retention fees for special license plates only when the plate owner notifies the department that he or she will again use the special plate on a vehicle. Using Motor Vehicles' unaudited available data and the fees prescribed in statutes, we estimate that, because of this policy, it did not collect retention fees of $12 million during fiscal years 2010–11 and 2011–12. We estimate that by implementing our recommendation to collect retention fees for all special plates retained by plate owners, Motor Vehicles could realize up to $6 million in increased revenue annually.

We believe the State's budget process is a good opportunity for the Legislature to explore these issues in a public forum and, to the extent necessary, reinforce the need for corrective action. If you would like more information or assistance regarding this report, please contact Paul Navarro, Legislative Affairs, at (916) 445-0255.

Respectfully submitted,

Elaine M. Howle

ELAINE M. HOWLE, CPA
State Auditor

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Senate Budget Subcommittee 1: Education

Report Number 2011-117

High School Graduation and Dropout Data: California's New Database May Enable the State to Better Serve Its High School Students Who Are at Risk of Dropping Out **(March 2012)**

	RECOMMENDATION	STATUS OF RECOMMENDATION	ENTITY
1.	To increase consistency, the department should remind schools and school districts of the importance of aligning their procedures for recording pupil enrollment and exit data with the CALPADS Data Guide.	Fully Implemented	California Department of Education
2.	To improve efficiency, the department should inform school districts of the value of frequently updating the data they transfer from their local student information systems to CALPADS. Also, to the extent that departments become aware of ways that schools and school districts can perform CALPADS-related activities more efficiently, it should provide written guidance to schools and school districts on these best practices.	Fully Implemented	California Department of Education
3.	To improve the utility of CALPADS and fulfill the legislative intent of the system, the department should work with the Legislature, the State Board of Education, and the governor to identify priorities for building upon the system when funding is available. These priorities could include tracking student participation in dropout prevention programs or strategies to measure the effectiveness of those programs or strategies over time.	Will Not Implement	California Department of Education

Report Number 2012-032

California's Postsecondary Educational Institutions: Some Institutions Have Not Fully Complied With Federal Crime Reporting Requirements **(October 2012)**

	RECOMMENDATION	STATUS OF RECOMMENDATION	ENTITY
1.	To ensure that they comply with the Clery Act by correctly reporting all applicable crimes and disclosing all required campus security policies, institutions should review and adhere to applicable guidance related to the Clery Act, including Education's Office of Postsecondary Education's (OPE) Handbook for Campus Safety and Security Reporting (OPE handbook) and the Federal Bureau of Investigation's Uniform Crime Reporting Handbook.	Fully Implemented	Academy of Art University
2.	To ensure that they comply with the Clery Act by correctly reporting all applicable crimes and disclosing all required campus security policies, institutions should review and adhere to applicable guidance related to the Clery Act, including the OPE handbook and the Federal Bureau of Investigation's Uniform Crime Reporting Handbook.	Fully Implemented	California State University, Northridge
3.	To ensure that they comply with the Clery Act by correctly reporting all applicable crimes and disclosing all required campus security policies, institutions should review and adhere to applicable guidance related to the Clery Act, including the OPE handbook and the Federal Bureau of Investigation's Uniform Crime Reporting Handbook.	Pending	Laney College
4.	To ensure that they comply with the Clery Act by correctly reporting all applicable crimes and disclosing all required campus security policies, institutions should review and adhere to applicable guidance related to the Clery Act, including the OPE handbook and the Federal Bureau of Investigation's Uniform Crime Reporting Handbook.	Fully Implemented	San Bernardino Community College District
5.	To ensure that they comply with the Clery Act by correctly reporting all applicable crimes and disclosing all required campus security policies, institutions should review and adhere to applicable guidance related to the Clery Act, including the OPE handbook and the Federal Bureau of Investigation's Uniform Crime Reporting Handbook.	Fully Implemented	San Diego Community College District

continued on next page . . .

	RECOMMENDATION	STATUS OF RECOMMENDATION	ENTITY
6.	To ensure that they comply with the Clery Act by correctly reporting all applicable crimes and disclosing all required campus security policies, institutions should review and adhere to applicable guidance related to the Clery Act, including the OPE handbook and the Federal Bureau of Investigation's Uniform Crime Reporting Handbook.	Pending	University of the Pacific
7.	To ensure that they comply with the Clery Act by correctly reporting all applicable crimes and disclosing all required campus security policies, institutions should thoroughly review the Clery Act crime statistics and security policy disclosures in their annual security reports for accuracy before publication.	Fully Implemented	Academy of Art University
8.	To ensure that they comply with the Clery Act by correctly reporting all applicable crimes and disclosing all required campus security policies, institutions should thoroughly review the Clery Act crime statistics and security policy disclosures in their annual security reports for accuracy before publication.	Fully Implemented	California State University, Northridge
9.	To ensure that they comply with the Clery Act by correctly reporting all applicable crimes and disclosing all required campus security policies, institutions should thoroughly review the Clery Act crime statistics and security policy disclosures in their annual security reports for accuracy before publication.	Pending	Laney College
10.	To ensure that they comply with the Clery Act by correctly reporting all applicable crimes and disclosing all required campus security policies, institutions should thoroughly review the Clery Act crime statistics and security policy disclosures in their annual security reports for accuracy before publication.	Fully Implemented	San Bernardino Community College District
11.	To ensure that they comply with the Clery Act by correctly reporting all applicable crimes and disclosing all required campus security policies, institutions should thoroughly review the Clery Act crime statistics and security policy disclosures in their annual security reports for accuracy before publication.	Fully Implemented	San Diego Community College District
12.	To ensure that they comply with the Clery Act by correctly reporting all applicable crimes and disclosing all required campus security policies, institutions should thoroughly review the Clery Act crime statistics and security policy disclosures in their annual security reports for accuracy before publication.	Pending	University of the Pacific
13.	To ensure that they comply with the Clery Act by correctly reporting all applicable crimes and disclosing all required campus security policies, institutions should ensure that they have a complete, accessible daily crime log, as required by the Clery Act.	Pending	Laney College
14.	To ensure that they comply with the Clery Act by correctly reporting all applicable crimes and disclosing all required campus security policies, institutions should ensure that they have a complete, accessible daily crime log, as required by the Clery Act.	Fully Implemented	San Bernardino Community College District
15.	To ensure that they comply with the Clery Act by correctly reporting all applicable crimes and disclosing all required campus security policies, institutions should ensure that they have a complete, accessible daily crime log, as required by the Clery Act.	Fully Implemented	San Diego Community College District
16.	To ensure that they comply with the Clery Act by correctly reporting all applicable crimes and disclosing all required campus security policies, institutions should ensure that they have a complete, accessible daily crime log, as required by the Clery Act.	Fully Implemented	University of the Pacific
17.	Institutions should ensure that they properly notify both current and prospective students and employees of the availability of their annual security reports in the manner prescribed by the Clery Act.	Pending	Laney College
18.	Institutions should ensure that they properly notify both current and prospective students and employees of the availability of their annual security reports in the manner prescribed by the Clery Act.	Fully Implemented	San Bernardino Community College District
19.	Institutions should ensure that they properly notify both current and prospective students and employees of the availability of their annual security reports in the manner prescribed by the Clery Act.	Fully Implemented	San Diego Community College District
20.	Institutions should ensure that they properly notify both current and prospective students and employees of the availability of their annual security reports in the manner prescribed by the Clery Act.	Partially Implemented	University of the Pacific

Report Number 2012-103

Los Angeles Unified School District: It Could Do More to Improve Its Handling of Child Abuse Allegations **(November 2012)**

	RECOMMENDATION	STATUS OF RECOMMENDATION	ENTITY
1.	To ensure that the Commission on Teacher Credentialing (commission) is made aware of certificated employees who need to be reviewed to determine whether the employees' teaching credentials should be suspended or revoked, the district should adhere to state requirements for reporting cases to the commission. Further, the district should avoid reporting cases that are not yet required to be reported so that it will not overburden the commission.	Fully Implemented	Los Angeles Unified School District
2.	To ensure that investigations proceed in a timely manner and that the district disciplines employees promptly, the district should increase its oversight of open allegations of employee abuse against students.	Fully Implemented	Los Angeles Unified School District
3.	To ensure that it does not duplicate efforts and that its information is complete, the district should identify one division to maintain a districtwide tracking mechanism for settlements that includes the total amounts paid and descriptions of the misconduct.	Fully Implemented	Los Angeles Unified School District

Report Number I2012-1

Investigations of Improper Activities by State Agencies and Employees: Bribery, Conspiracy to Commit Mail Fraud, Improper Overtime Payments, Improper Use of Lease Proceeds, Improper Travel Expenses, and Other Violations of State Law **(December 2012)**

	RECOMMENDATION	STATUS OF RECOMMENDATION	ENTITY
11.	Education should block *The Sacramento Bee's* Web site from the employee's computer station for a specified period.	Resolved	California Department of Education
12.	Education should evaluate the necessity of the employee's direct access to *The Sacramento Bee's* Web site and take appropriate actions to prevent further abuses of state resources. These actions may include blocking other specific Web sites or periodically monitoring the employee's Internet usage.	Resolved	California Department of Education
13.	Education should take appropriate corrective action against the employee for misusing state resources.	Resolved	California Department of Education
14.	Education should take appropriate corrective action against Supervisor A for failing to adequately monitor and discipline the employee.	Fully Implemented	California Department of Education
23.	To address the improper acts we identified, the university should collect $1,802 from the official for the wasteful expenses he claimed for lodging and meals during his trip to England, the expenses he incurred within the vicinity of his headquarters, and the business meal expenses.	Partially Implemented	University of California
24.	The university should revise the policies to allow employees to claim only actual lodging expenses up to established rates for international travel.	Pending	University of California
25.	The university should include a policy specific to parking to assist supervisors in determining appropriate expenses.	Fully Implemented	University of California
26.	The university should clarify policies to include a distance test for expenses that employees incur within the vicinity of their headquarters.	Partially Implemented	University of California
27.	The university should revise policies to establish defined maximum limits for the reimbursement of domestic lodging costs and establish controls that allow for exceptions to the limits under specific circumstances only.	No Action Taken	

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Report Number 2012-044

California Department of Education: Despite Some Improvements, Oversight of the Migrant Education Program Remains Inadequate **(February 2013)**

	RECOMMENDATION	STATUS OF RECOMMENDATION	ENTITY
1.	To minimize the potential for disagreement over allowable migrant program costs, Education should better define the criteria by which it will consider program costs allowable and include those criteria in the migrant program fiscal handbook it provides to the regions.	Pending	California Department of Education
2.	To demonstrate its willingness to fairly evaluate regional expenditures, Education should allow San Joaquin to reimburse its general fund for the vehicle purchase Education incorrectly disallowed.	Will Not Implement	California Department of Education
3.	To improve its understanding of regional expenditures, Education should increase the level of detail required in its quarterly expenditure reports. The level of detail should allow Education to select expenditures for review.	Pending	California Department of Education
4.	For regions that have not recently received a federal monitoring review, Education should use the detailed expenditure reports to select a sample of expenditures, request supporting documentation from the regions, and then review the expenditures to determine if they meet applicable federal and state criteria.	Pending	California Department of Education
5.	As part of the reviews based on quarterly reports, Education should verify that regions are using the appropriate accounting codes to classify their expenditures.	Pending	California Department of Education
6.	To guard against future conflicts of interest, San Joaquin should complete its evaluation and revision of its procurement policies and procedures, update its conflict-of-interest code, and ensure that all its managers receive conflict-of-interest training.	Fully Implemented	San Joaquin County Office of Education
7.	Education should follow up with San Joaquin to ensure that it takes the actions we recommend.	Fully Implemented	California Department of Education
8.	To address problems with its methodology for calculating administrative costs, Education should review the regions' current use of accounting codes to identify the areas in which regions differ in accounting for similar migrant program costs.	Pending	California Department of Education
9.	To address problems with its methodology for calculating administrative costs, Education should provide regions with more specific direction about how to charge these expenses.	Pending	California Department of Education
10.	To address problems with its methodology for calculating administrative costs, Education should revise its list of accounting codes that it considers administrative in light of its review of regional coding.	Pending	California Department of Education
11.	Once it has addressed the underlying issues with regional accounting, provided direction to regions about which expenditures it will consider administrative, and obtained accurate expenditure data, Education should review its administrative cost goal to ensure that this goal is reasonable given the requirements of the migrant program.	Pending	California Department of Education
12.	To address past federal findings that are not yet resolved, Education should respond as recommended in Appendix B of the report.	Pending	California Department of Education
13.	To determine if the statewide migrant education program is effective, Education should finalize its current evaluation of the program and begin developing the capacity to produce a more robust annual evaluation of the program.	Pending	California Department of Education
14.	To address a lack of detailed migrant program service and outcome data, Education should either expand the capabilities of its existing statewide databases or implement additional systems that would allow regions to capture more detailed data about migrant students.	Pending	California Department of Education
15.	To ensure that it receives satisfactory services and outcomes for the funds spent on statewide contracts for the migrant program, Education should develop and execute a plan to monitor each of its contracts and cancel any it determines do not provide adequate or cost-effective services.	Partially Implemented	California Department of Education
16.	To ensure that the state parent council complies with the requirement that two-thirds of its membership consist of parents of migrant children, Education should accurately and continually update its member directory and inform the regional parent councils regularly about the current composition of the state parent council.	Pending	California Department of Education

17.	To ensure that it receives a report from the state parent council, Education should continue to provide the necessary training to the council regarding the report and ensure that the council report appears on the agenda for state parent council meetings.	Fully Implemented	California Department of Education

Report Number 2012-108

School Safety and Nondiscrimination Laws: Most Local Educational Agencies Do Not Evaluate the Effectiveness of Their Programs, and the State Should Exercise Stronger Leadership **(August 2013)**

	RECOMMENDATION	STATUS OF RECOMMENDATION	ENTITY
1.	To ensure that it is effectively preventing and addressing incidents of discrimination, harassment, intimidation, and bullying in its schools, Fresno Unified should continue its efforts to implement methods to measure the effectiveness of school safety programs at both the district and school site levels.	Pending	Fresno Unified School District
2.	To ensure that it is effectively preventing and addressing incidents of discrimination, harassment, intimidation, and bullying in its schools, Fresno Unified should ensure that school sites follow the complaint procedures established in its policies.	Pending	Fresno Unified School District
3.	To ensure that it is effectively preventing and addressing incidents of discrimination, harassment, intimidation, and bullying in its schools, Los Angeles Unified should monitor school sites to ensure that they implement school safety programs.	Pending	Los Angeles Unified School District
4.	To ensure that it is effectively preventing and addressing incidents of discrimination, harassment, intimidation, and bullying in its schools, Los Angeles Unified should measure the effectiveness of its school safety programs at both the district and school site levels.	Pending	Los Angeles Unified School District
5.	To ensure that it is effectively preventing and addressing incidents of discrimination, harassment, intimidation, and bullying in its schools, Los Angeles Unified should ensure that school sites evaluate the effectiveness of the programs they choose to implement.	Pending	Los Angeles Unified School District
6.	To ensure that it is effectively preventing and addressing incidents of discrimination, harassment, intimidation, and bullying in its schools, Los Angeles Unified should resolve complaints within 60 calendar days regardless of the complaint process selected.	Pending	Los Angeles Unified School District
7.	To ensure that it is effectively preventing and addressing incidents of discrimination, harassment, intimidation, and bullying in its schools, Los Angeles Unified should ensure that school sites follow the complaint procedures established in its policies.	Pending	Los Angeles Unified School District
8.	To ensure that it is effectively preventing and addressing incidents of discrimination, harassment, intimidation, and bullying in its schools, Sacramento City Unified should ensure that school site staff complete the training required under its anti-bullying policy.	Pending	Sacramento City Unified School District
9.	To ensure that it is effectively preventing and addressing incidents of discrimination, harassment, intimidation, and bullying in its schools, Sacramento City Unified should continue its efforts to implement school safety programs at school sites.	Fully Implemented	Sacramento City Unified School District
10.	To ensure that it is effectively preventing and addressing incidents of discrimination, harassment, intimidation, and bullying in its schools, Sacramento City Unified should measure the effectiveness of its school safety programs at both the district and school site levels.	Pending	Sacramento City Unified School District
11.	To ensure that it is effectively preventing and addressing incidents of discrimination, harassment, intimidation, and bullying in its schools, Sacramento City Unified should ensure the impartial resolution of complaints by not assigning the investigation to site administrators or other staff specifically named in the complaint.	Pending	Sacramento City Unified School District
12.	To ensure that it is effectively preventing and addressing incidents of discrimination, harassment, intimidation, and bullying in its schools, Sacramento City Unified should notify all complainants of the right to appeal its decisions to Education.	Fully Implemented	Sacramento City Unified School District
13.	To ensure that it is effectively preventing and addressing incidents of discrimination, harassment, intimidation, and bullying in its schools, Sacramento City Unified should update its policies and procedures to calculate the state-mandated time limit for resolving complaints in accordance with state regulations.	Pending	Sacramento City Unified School District
14.	To ensure that it is effectively preventing and addressing incidents of discrimination, harassment, intimidation, and bullying in its schools, Sacramento City Unified should resolve complaints within 60 calendar days regardless of the complaint process selected.	Partially Implemented	Sacramento City Unified School District

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	RECOMMENDATION	STATUS OF RECOMMENDATION	ENTITY
15.	To ensure that it is effectively preventing and addressing incidents of discrimination, harassment, intimidation, and bullying in its schools, Sacramento City Unified should ensure that school sites follow the complaint procedures established in its policies.	Pending	Sacramento City Unified School District
16.	To provide stronger leadership with respect to school safety and nondiscrimination laws, Education, with direction from the superintendent of public instruction, should ensure that the Office of Equal Opportunity (EO office) program instrument is updated annually to include any new requirements in state law, and also ensure that the EO office performs monitoring visits as required and with sufficient rigor to evaluate LEAs' compliance with state law.	Pending	California Department of Education
17.	To provide stronger leadership with respect to school safety and nondiscrimination laws, Education, with direction from the superintendent of public instruction, should prioritize the review of parent, student, guardian, or interested party appeals to ensure that the EO office follows state regulations by processing appeals more promptly, notifying LEAs of when appeals are filed, and obtaining the investigation files and other documents when reviewing complaint appeals.	Pending	California Department of Education
19.	To provide stronger leadership with respect to school safety and nondiscrimination laws, Education, with direction from the superintendent of public instruction, should use data from the kids survey and reported suspensions and expulsions to evaluate the levels of discrimination, harassment, intimidation, and bullying students encounter and to determine the effectiveness of its own and the LEAs' efforts, and report the results to the Legislature by August 1, 2014.	Pending	California Department of Education
21.	To provide stronger leadership with respect to school safety and nondiscrimination laws, Education, with direction from the superintendent of public instruction, should within the next six months and annually thereafter, update and replace the resources on its Web site to provide more relevant information on best practices, such as preventing and responding to incidents related to a protected characteristic or that occur through cyberbullying, the U.S. DOE report on state bullying legislation, and best practices in other states, such as the Massachusetts law on LEA staff training requirements.	Pending	California Department of Education

Report Number 2013-107

Accounts Outside the State's Centralized Treasury System: Processes Exist to Safeguard Money, but Controls for These Accounts Need Strengthening **(October 2013)**

	RECOMMENDATION	STATUS OF RECOMMENDATION	ENTITY
7.	To ensure accurate reporting on its outside accounts in the future, within the next six months, California State University should develop procedures for excluding investments held by the treasury system from reported outside account balances.	Fully Implemented	California State University

Report Number 2012-113

California State University's Extended Education: It Is Unclear Whether Supplanting Occurred, and Campuses Did Not Always Document Their Adherence to Laws, Policies, and Procedures **(December 2013)**

	RECOMMENDATION	STATUS OF RECOMMENDATION	ENTITY
2.	To help the Legislature clarify its intent regarding supplanting as identified in the California Education Code, Section 89708, the Chancellor's Office should immediately begin working with the Legislature and its staff to that end.	Pending*	California State University
3.	Until the Legislature clarifies its intent regarding California Education Code, Section 89708, the Chancellor's Office should immediately finalize its executive order pertaining to extended education. This guidance should identify appropriate oversight mechanisms for ensuring campuses' compliance with this law.	Pending*	California State University
4.	Within six months of the date the Legislature clarifies its intent regarding California Education Code, Section 89708, the Chancellor's Office should develop and issue final guidance to campuses regarding supplanting, including identifying appropriate oversight mechanisms for ensuring campuses' compliance with this law.	Pending*	California State University

	RECOMMENDATION	STATUS OF RECOMMENDATION	ENTITY
5.	To effectively monitor and ensure that the campuses set self-supported fees in accordance with state law and Executive Order 1054, the Chancellor's Office should immediately require campus chief financial officers to develop, and presidents to consider, the statement of revenues and expenditures described in Executive Order 1054 before making a determination on self-supported extended education program fees.	Pending*	California State University
6.	To effectively monitor and ensure that the campuses set self-supported fees in accordance with state law and Executive Order 1054, the Chancellor's Office should immediately instruct campuses to report annually a complete inventory of their self-supported extended education fees, including past and current fee rates, the total revenue collected for each fee, and the remaining balance of revenue collected for each fee.	Pending*	California State University
7.	To effectively monitor and ensure that the campuses set self-supported fees in accordance with state law and Executive Order 1054, the Chancellor's Office should immediately direct its internal audit staff to periodically conduct audits of the campuses' self-supported extended education fees to determine the appropriateness of the fees, including the methodology the campuses use to set the fees and the inventory they report to the Chancellor's Office.	Pending*	California State University
8.	To ensure that it sets self-supported fees for extended education in accordance with state law and Executive Order 1054, CSU Long Beach should immediately prepare a statement of revenues and expenditures for the Bachelor of Science in Engineering Degree Completion Program for Electrical Engineering that we discuss in the report and, if necessary, increase or decrease that program's future fees to appropriate levels.	Pending*	California State University, Long Beach
9.	To ensure that it sets self-supported fees for extended education in accordance with state law and Executive Order 1054, CSU Long Beach should immediately revise its methodology for calculating the direct allocations component of its fees for extended education programs and base the calculation on direct costs that can be readily assigned to the programs and indirect costs that have been identified in its approved cost allocation plan.	Pending*	California State University, Long Beach
10.	To ensure that it sets self-supported fees for extended education in accordance with state law and Executive Order 1054, CSU Long Beach should immediately retain documentation to support the direct allocations it charges extended education programs.	Pending*	California State University, Long Beach
11.	To ensure that it sets self-supported fees for extended education in accordance with state law and Executive Order 1054, CSU Long Beach should immediately prepare and retain market studies to justify the appropriateness of its fee increases.	Pending*	California State University, Long Beach
12.	To ensure that it sets self-supported fees for extended education in accordance with state law and Executive Order 1054, CSU Long Beach should immediately conduct a study to determine the appropriate program reinvestment allocation percentage to apply to the individual fee it sets for each extended education program.	Pending*	California State University, Long Beach
13.	To ensure that it sets self-supported fees for extended education in accordance with state law and Executive Order 1054, CSU Long Beach should immediately retain documentation to support the established program reinvestment allocation percentage.	Pending*	California State University, Long Beach
14.	To ensure that it sets self-supported fees for extended education in accordance with state law and Executive Order 1054, CSU Long Beach should immediately revise its student fee policy to specifically require the development, appropriate consideration, and retention of statements of revenues and expenditures when establishing or adjusting future fees for self-supported extended education courses and programs.	Pending*	California State University, Long Beach
15.	To ensure that it sets self-supported fees for extended education in accordance with state law and Executive Order 1054, CSU Long Beach should immediately revise its student fee policy to include its revised methodology for calculating the direct allocation component of the fee and its procedure for applying the established program reinvestment allocation percentage to the individual fees it sets for each self-supported extended education program.	Pending*	California State University, Long Beach
16.	To ensure that it sets self-supported extended education fees in accordance with state law and Executive Order 1054, CSU Sacramento should immediately discontinue its practice of allowing the College of Continuing Education to submit fee proposals for ranges of fees instead of individual fees for extended education courses and programs.	Pending*	California State University, Sacramento
17.	To ensure that it sets self-supported extended education fees in accordance with state law and Executive Order 1054, CSU Sacramento should immediately discontinue its practice of approving fee proposals for ranges of fees instead of individual fees for extended education courses and programs.	Pending*	California State University, Sacramento

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	RECOMMENDATION	STATUS OF RECOMMENDATION	ENTITY
18.	To ensure that it sets self-supported extended education fees in accordance with state law and Executive Order 1054, CSU Sacramento should immediately prepare statements of revenues and expenditures for the ongoing programs we discuss in this report, and, if necessary, increase or decrease those programs' future fees to appropriate levels.	Pending*	California State University, Sacramento
19.	To ensure that it sets self-supported extended education fees in accordance with state law and Executive Order 1054, CSU Sacramento should immediately revise its student fee policy to specifically require the development, appropriate consideration, and retention of statements of revenues and expenditures when establishing or adjusting future fees for extended education courses and programs.	Pending*	California State University, Sacramento
20.	To ensure that it sets self-supported fees for extended education in accordance with state law and Executive Order 1054, San José State should immediately prepare statements of revenues and expenditures for the programs we discuss in this report, and, if necessary, increase or decrease those programs' future fees to appropriate levels.	Pending*	California State University, San José
21.	To ensure that it sets self-supported fees for extended education in accordance with state law and Executive Order 1054, San José State should immediately revise its fee proposal instructions to specifically require the development, appropriate consideration, and retention of statements of revenues and expenditures when establishing or adjusting future fees for each extended education course and program.	Pending*	California State University, San José
22.	To ensure that it sets self-supported fees for extended education in accordance with state law and Executive Order 1054, San José State should immediately discontinue its practice of setting its summer session fees for extended education courses and programs based on the fees set by the Chancellor's Office for state-supported summer session courses and programs.	Pending*	California State University, San José
23.	To ensure that campuses spend their CERF trust account fund balances appropriately, the Chancellor's Office should immediately reinstate its carry-forward fund policy, and starting with fiscal year 2012-13, require campuses to submit spending plans.	Pending*	California State University
24.	To ensure that campuses spend their CERF trust account fund balances appropriately, the Chancellor's Office should immediately direct its internal audit staff to periodically review the campuses' extended education course and program expenditures.	Pending*	California State University
25.	To ensure that the CERF trust account bears a reasonable portion of the campuswide instructional technology upgrade project's costs, San José State should immediately determine the proportionate share of the project cost each stakeholder, including extended education, should bear and, if necessary, transfer funds back to the CERF trust account.	Pending*	California State University, San José
26.	To strengthen its oversight of payments made from the CERF trust account, San José State should immediately establish procedures instructing departments to demonstrate that each payment request is for the support and development of CSU self-supported instructional courses and programs. These procedures should include, at a minimum, the following: • A requirement for departments to attach copies of documents such as purchase orders, work orders, and contracts to their requests for payments to demonstrate that direct costs for services or activities benefit self-supported instructional courses and programs; these documents should be easily traceable to those courses and programs. • A requirement for departments to demonstrate that they assign indirect costs to self-supported instructional courses and programs according to a methodology that represents a reasonable and equitable distribution. • A requirement for departments to retain documentation to support the development of the methodologies they use to distribute indirect costs to self-supported instructional courses and programs. • A definition for reasonable and equitable distribution using one of the three common methods identified in the *State Administrative Manual* or methods developed by the campus and approved by the Chancellor's Office.	Pending*	California State University, San José
27.	To strengthen its oversight of payments made from the CERF trust account, San José State should immediately revise its funding model policy to define the term periodically.	Pending*	California State University, San José

	RECOMMENDATION	STATUS OF RECOMMENDATION	ENTITY
28.	To strengthen its oversight of payments made from the CERF trust account, San José State should immediately perform periodic reviews of the allocation percentages in its funding model policy.	Pending*	California State University, San José
29.	To strengthen its oversight of payments made from the CERF trust account, CSU Long Beach should immediately enter into a written agreement with the foundation that specifies, among other things, the functions the foundation is to manage, operate, or administer for the College of Continuing and Professional Education and the necessity for the foundation to administer the functions instead of the College of Continuing and Professional Education.	Pending*	California State University, Long Beach
30.	To strengthen its oversight of payments made from the CERF trust account, CSU Long Beach should immediately review and document the appropriateness of the campus partners' allocation percentages using current data and, if needed, adjust the percentages.	Pending*	California State University, Long Beach
31.	To strengthen its oversight of payments made from the CERF trust account, CSU Long Beach should immediately develop and retain partnership agreements that reflect the campus partners' allocation percentages.	Pending*	California State University, Long Beach
32.	To strengthen its oversight of payments made from the CERF trust account, CSU Sacramento should immediately review and document the methodology it uses to allocate revenue to the campus partners.	Pending*	California State University, Sacramento
33.	To strengthen its oversight of payments made from the CERF trust account, CSU Sacramento should immediately develop and retain partnership agreements that reflect the agreed-upon terms between the College of Continuing Education and campus partners.	Pending*	California State University, Sacramento
34.	To strengthen its oversight of payments made from the CERF trust account, CSU Sacramento should immediately develop and implement written procedures for payroll.	Pending*	California State University, Sacramento
35.	To strengthen its oversight of payments made from the CERF trust account, CSU Sacramento should immediately update its timekeeper manual.	Pending*	California State University, Sacramento
36.	To help the Chancellor's Office enforce state law that prohibits supplanting state-supported courses and programs, CSU Long Beach should immediately remind all relevant employees to notify the Chancellor's Office before converting state-supported degree programs to self-supported degree programs.	Pending*	California State University, Long Beach
37.	To minimize the risk that it appoints faculty who are not qualified to teach self-supported for-credit programs, CSU Long Beach should immediately establish and implement procedures comparable to those it uses for recruiting and appointing faculty to teach state-supported courses and programs.	Pending*	California State University, Long Beach
38.	To help the Chancellor's Office enforce state law that prohibits supplanting state-supported courses and programs, CSU Sacramento should immediately remind all relevant employees to notify the Chancellor's Office before converting state-supported degree programs to self-supported degree programs.	Pending*	California State University, Sacramento
39.	To ensure that it appoints the best-qualified applicant from a pool of applicants as its policy requires, CSU Sacramento should immediately follow through on its plans to establish a continuously open vacancy announcement for programs where the pool can be very limited.	Pending*	California State University, Sacramento

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Senate Budget Subcommittee 2: Resources, Environmental Protection, Energy and Transportation

Report Number 2011-504

High-Speed Rail Authority Follow-Up: Although the Authority Addressed Some of Our Prior Concerns, Its Funding Situation Has Become Increasingly Risky and the Authority's Weak Oversight Persists **(January 2012)**

	RECOMMENDATION	STATUS OF RECOMMENDATION	ENTITY
1.	To ensure that it can respond adequately to funding levels that may vary from its business plan, the Authority should develop and publish alternative funding scenarios that reflect the possibility of reduced or delayed funding from the planned sources. These scenarios should detail the implications of variations in the level or timing of funding on the program and its schedule.	Not Fully Implemented†	High-Speed Rail Authority
2.	In order to respond effectively to circumstances that could significantly delay or halt the program, the Authority should ensure that it implements planned actions related to managing risk.	Fully Implemented	High-Speed Rail Authority
3.	To avert possible legal challenges, the Authority should ensure that the independent peer review panel adheres to the Bagley-Keene Open Meeting Act or seek a formal opinion from the Office of the Attorney General regarding whether the panel is subject to this act.	Will Not Implement	High-Speed Rail Authority
4.	To ensure that it does not run out of funds for administrative and preconstruction tasks prematurely, the Authority should track expenditures for these activities and develop a long-term spending plan for them. It also should develop procedures and systems to ensure that it complies with American Recovery and Reinvestment Act of 2009 requirements.	Fully Implemented	High-Speed Rail Authority
5.	In order to ensure that staff receive relevant information on the program's status, the Authority should amend the oversight consultant's work plan to include a critical review of the progress reports for accuracy and consistency. Authority staff should also request that the Program manager revise its progress reports to include information on the status of contract products and services in relationship to what was promised.	Fully Implemented	High-Speed Rail Authority
6.	To ensure that it does not misuse public funds and can hold contractors accountable, the Authority should adhere to the conditions of its contracts and work plans, and make any amendments and modifications in writing.	Fully Implemented	High-Speed Rail Authority
7.	To add clarification to the first recommendation we made in our prior report that stated, "To ensure that it can respond adequately to funding levels that may vary from its business plan, the Authority should develop and publish alternative funding scenarios that reflect the possibility of reduced or delayed funding from the planned sources. These scenarios should detail the implications of variations in the level or timing of funding on the program and its schedule," the Authority should also present viable alternative funding scenarios for phase one in its entirety that do not assume an increase in the federal funding levels already identified in the 2012 draft business plan. If the Authority does not believe that such alternatives exist, it should publicly disclose this in its 2012 final business plan.	Not Fully Implemented†	High-Speed Rail Authority
8.	To ensure that the public and the Legislature are aware of the full cost of the program, the Authority should clearly report total costs, including projected operating and maintenance costs for the program.	Fully Implemented	High-Speed Rail Authority
9.	To ensure that the public and the Legislature are aware of the full cost of the program, the Authority should clearly disclose that the 2012 draft business plan assumes that the State will only be receiving profits for the first two years of operation in 2022 and 2023, and potentially not again until 2060 in exchange for the almost $11 billion the Authority assumes it will receive from the private sector over a four-year period.	Not Fully Implemented†	High-Speed Rail Authority
10.	To ensure that it has adequate staff to effectively oversee the program, the Authority should continue to fill its vacant positions.	Fully Implemented	High-Speed Rail Authority
11.	To ensure that it has adequate staff to effectively oversee the program, the Authority should conduct a workload analysis to determine the total number of staff it needs as well as the functions those staff should perform.	Fully Implemented	High-Speed Rail Authority
12.	To comply with the political reform act, the Authority should establish written policies and procedures for tracking whether all designated employees and consultants have completed and filed their statements of economic interests on time, thereby identifying any potential conflicts of interest.	Fully Implemented	High-Speed Rail Authority

	RECOMMENDATION	STATUS OF RECOMMENDATION	ENTITY
13.	To increase transparency and to ensure that it is aware of any financial interest that a subcontractor may have in the program, the Authority should require subcontractors to file statements of economic interest.	Not Fully Implemented†	High-Speed Rail Authority
14.	To ensure that the program manager's monthly progress reports are accurate, consistent, and useful, the Authority should reinstate the oversight consultant's review of the progress reports.	Fully Implemented	High-Speed Rail Authority
15.	To ensure that the program manager's monthly progress reports are accurate, consistent, and useful, the Authority should hold the program manager accountable for implementing the oversight consultant's recommendations. For example, the Authority could withhold partial payment of invoices to the program manager until it fully addresses these recommendations.	Fully Implemented	High-Speed Rail Authority
16.	To ensure that the program manager's monthly progress reports are accurate, consistent, and useful, the Authority should conduct monthly comparisons of the program manager's and the regional contractors' progress reports to verify that they are consistent with one another and to ensure that the reports include an accurate status of promised deliverables.	Fully Implemented	High-Speed Rail Authority
17.	To ensure that the regional contractors' monthly progress reports provide sufficient detail to support the monthly invoices, the Authority should perform a monthly comparison of the regional contractors' invoices with the corresponding progress reports. Specifically, the Authority should ensure that the regional contractors' monthly progress reports describe the work they performed in those areas for which they claimed costs in the corresponding invoices. The Authority should discuss with the program manager any areas that lack sufficient detail in the progress reports to make such determinations.	Fully Implemented	High-Speed Rail Authority
18.	To be aware of and respond effectively to circumstances that could significantly delay or halt the program, the Authority should hire a risk manager as soon as possible. Until then, it should designate and require Authority staff to attend risk-management meetings and workshops.	Fully Implemented	High-Speed Rail Authority
19.	To be aware of and respond effectively to circumstances that could significantly delay or halt the program, the Authority needs to be involved in the development and implementation of the program manager's risk-management plan and ensure that Authority staff have roles and responsibilities defined in the plan, such as identifying and mitigating risks in the risk register.	Fully Implemented	High-Speed Rail Authority
20.	To be aware of and respond effectively to circumstances that could significantly delay or halt the program, the Authority should monitor the program manager's risk management practices to ensure that either it or the program manager identifies and promptly and appropriately addresses risks.	Fully Implemented	High-Speed Rail Authority
21.	To effectively manage its contracts, the Authority should develop procedures to detect and prevent contract splitting.	Fully Implemented	High-Speed Rail Authority
22.	To effectively manage its contracts, the Authority should begin awarding contracts with a sufficient amount of lead time.	Fully Implemented	High-Speed Rail Authority
23.	To effectively manage its contracts, the Authority should immediately begin the process of soliciting competitive bids for its IT services.	Fully Implemented	High-Speed Rail Authority

Report Number 2011-103

California's Mutual Aid System: The California Emergency Management Agency Should Administer the Reimbursement Process More Effectively **(January 2012)**

	RECOMMENDATION	STATUS OF RECOMMENDATION	ENTITY
9.	If the Federal Emergency Management Agency (FEMA) determines that the calculations and claims identified in the Office of Inspector General's audit report were erroneous, CAL FIRE should revise its method of claiming reimbursement for personnel hours to comply with FEMA's policy.	Fully Implemented	Department of Forestry and Fire Protection
10.	If FEMA determines that the calculations and claims identified in the Office of Inspector General's audit report were erroneous, CAL FIRE should collaborate with Cal EMA to establish a system that calculates the maximum number of reimbursable personnel hours in accordance with both FEMA's policy and the California Fire Assistance Agreement.	Fully Implemented	Department of Forestry and Fire Protection

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Report Number 2011-123

Oil Spill Prevention and Administration Fund: The Department of Fish and Game and the Office of Spill Prevention and Response Need to Improve Their Administration of the Spill Fund **(August 2012)**

	RECOMMENDATION	STATUS OF RECOMMENDATION	ENTITY
1.	To prepare and report accurate fund condition statements for inclusion in the governor's budget each year, Fish and Game should ensure that staff in its budget branch follow written procedures to develop fund condition statements.	Fully Implemented	Department of Fish and Wildlife‡
2.	To prepare and report accurate fund condition statements for inclusion in the governor's budget each year, Fish and Game should train both new and existing staff on how to prepare fund condition statements for inclusion in the governor's budget.	Fully Implemented	Department of Fish and Wildlife‡
3.	To ensure that three-year projections of the spill fund's revenues, expenditures, and fund balances, all of which are used to determine fee rates, are based on accurate financial information, the spill office should develop written procedures directing staff on how to prepare the three-year projection, including steps to verify the accuracy of the financial information in the projection. In developing these procedures, the spill office should consult with Fish and Game's accounting branch and budget branch to confirm that these procedures are thorough and complete.	Fully Implemented	Department of Fish and Wildlife‡
4.	To ensure that three-year projections of the spill fund's revenues, expenditures, and fund balances, all of which are used to determine fee rates, are based on accurate financial information, the spill office should consider the reduction in the spill fund's costs, as a result of the recovery of indirect administrative costs, when projecting its fund balance moving forward.	Not Fully Implemented†	Department of Fish and Wildlife‡
5.	To prevent under- or over-recovery of federal funds, Fish and Game should regularly reassess whether using budgeted expenditures or actual expenditures will produce the most accurate results.	Not Fully Implemented†	Department of Fish and Wildlife‡
6.	To ensure that the spill office continues to work consistently with other entities to resolve issues with the use of staff and equipment and that it has the necessary resources to carry out its operations, the spill office should develop written policies and procedures with Fish and Game enforcement regarding staffing decisions.	Fully Implemented	Office of Spill Prevention and Response
7.	To ensure that the spill office continues to work consistently with other entities to resolve issues with the use of staff and equipment and that it has the necessary resources to carry out its operations, the spill office should develop written policies and procedures with Fish and Game's IT unit regarding the coordination of response to system outages.	Fully Implemented	Office of Spill Prevention and Response
8.	To ensure that the spill office continues to work consistently with other entities to resolve issues with the use of staff and equipment and that it has the necessary resources to carry out its operations, the spill office should develop written policies and procedures with the State Lands Commission (State Lands) regarding its disclosure of budget change proposals affecting the spill fund.	Fully Implemented	Office of Spill Prevention and Response
9.	To comply with state law, State Lands should develop time sheet review procedures to ensure that its employees charge the spill fund only for oil spill prevention activities and that those charges are accurate.	Fully Implemented	State Lands Commission

Report Number 2011-120

California Department of Transportation: Its Poor Management of State Route 710 Extension Project Properties Costs the State Millions of Dollars Annually, Yet State Law Limits the Potential Income From Selling the Properties **(August 2012)**

	RECOMMENDATION	STATUS OF RECOMMENDATION	ENTITY
1.	To ensure that it collects fair market rents for the SR 710 properties on the State's behalf, Caltrans should, using the fair market rent determinations for all SR 710 properties it recently prepared and excluding those in its affordable rent program, adjust the tenants' rents to fair market after providing them with proper notice.	Not Fully Implemented†	California Department of Transportation
2.	To ensure that it collects fair market rents for the SR 710 properties on the State's behalf, Caltrans should make only limited exceptions to charging fair market rent and document the specific public purpose that is served in any case that it does not charge fair market rent.	Not Fully Implemented†	California Department of Transportation
3.	To ensure that all taxable fringe benefits or gifts state employees receive are appropriately included in their gross income, Caltrans should establish procedures to notify state employees who rent SR 710 properties that they may be subject to tax implications.	Fully Implemented	California Department of Transportation

	RECOMMENDATION	STATUS OF RECOMMENDATION	ENTITY
4.	To ensure that all taxable fringe benefits or gifts employees receive are appropriately included in their gross income, Caltrans should continue to work with its information technology division to generate the reports necessary for it to provide the State Controller's Office (state controller) with the value of the state housing for its employees monthly.	Fully Implemented	California Department of Transportation
5.	To ensure that all taxable fringe benefits or gifts state employees receive are appropriately included in their gross income, Caltrans should work with the state controller to identify the statute of limitations for employers to report adjustments to employee gross income to the federal Internal Revenue Service and the California Franchise Tax Board.	Fully Implemented	California Department of Transportation
6.	To ensure that all taxable fringe benefits or gifts state employees receive are appropriately included in their gross income, Caltrans should work with the state controller to identify the difference between the fair market rental value of the SR 710 housing and the rent state employees paid for that housing during the applicable calendar years related to the federal and state statute of limitations.	Fully Implemented	California Department of Transportation
7.	To ensure that all taxable fringe benefits or gifts state employees receive are appropriately included in their gross income, Caltrans should work with the state controller to determine if it needs to revise the W-2 forms for the other employees to whom Caltrans provided housing benefits, including the four employees who worked at its Chilao Maintenance Station.	Fully Implemented	California Department of Transportation
8.	To ensure that all taxable fringe benefits or gifts state employees receive are appropriately included in their gross income, Caltrans should provide information to the other state agencies so that they can submit the standard form for reporting the value of the housing provided to their employees for the applicable past calendar years to the state controller. Caltrans should continue to submit this information monthly to the applicable state agencies until the state employees are no longer renting the SR 710 properties at below-market rates.	Fully Implemented	California Department of Transportation
9.	To ensure that the affordable rent policy is enforceable and that only eligible tenants receive the benefit of the policy, Caltrans should adopt regulations in accordance with the Administrative Procedure Act (APA) if the director determines that it is appropriate to continue to offer affordable rent to certain tenants.	Not Fully Implemented†	California Department of Transportation
10.	To ensure that the affordable rent policy is enforceable and that only eligible tenants receive the benefit of the policy, Caltrans should annually review and document the tenants' household incomes using income certification forms. If tenants no longer qualify for the program because their income exceeds the income requirement or one of the income-producing tenants in the household has been replaced by a new tenant, it should increase their rent to fair market rates after giving proper notice.	Fully Implemented	California Department of Transportation
11.	To ensure that the repairs it makes to the SR 710 properties are necessary and reasonable, Caltrans should document its rationale for approving project change orders.	Fully Implemented	California Department of Transportation
12.	To ensure that the repairs it makes to the SR 710 properties are necessary and reasonable, Caltrans should conduct annual field inspections of the properties.	Fully Implemented	California Department of Transportation
13.	To ensure that the repairs it makes to the SR 710 properties are necessary and reasonable, Caltrans should discontinue performing roofing repairs on properties its roof assessments indicate are in good condition, unless a new assessment indicates a repair is needed.	Fully Implemented	California Department of Transportation
14.	To ensure that the repairs it makes to the SR 710 properties are necessary and reasonable, Caltrans should incorporate roof assessments as part of its annual field inspections of the properties.	Fully Implemented	California Department of Transportation
15.	To ensure that the repairs it makes to the SR 710 properties are necessary and reasonable, Caltrans should develop a written policy to ensure that it considers the cost-effectiveness of repair costs for historic and nonhistoric projects in relation to the potential rental income for the property. Such a policy should establish the maximum acceptable cost-recovery period for the amount it will spend for repairs, above which the repairs will be considered wasteful.	Fully Implemented	California Department of Transportation
16.	To ensure that the repairs it makes to the SR 710 properties are necessary and reasonable, Caltrans should establish a process to ensure it evaluates the cost-effectiveness of any repair before authorizing it.	Fully Implemented	California Department of Transportation
17.	To ensure that the repairs it makes to the SR 710 properties are necessary and reasonable, Caltrans should retain in its project files evidence to support the necessity and reasonableness of repairs, such as change orders, annual field inspections, and analyses of cost-effectiveness.	Fully Implemented	California Department of Transportation

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	RECOMMENDATION	STATUS OF RECOMMENDATION	ENTITY
18.	To ensure that the State achieves cost savings for the repairs made to the SR 710 properties, Caltrans should periodically perform more comprehensive analyses of viable options for repairing the properties. If Caltrans determines that General Services is the best option, it should ensure that it properly executes an interagency agreement in accordance with the *State Contracting Manual*.	Fully Implemented	California Department of Transportation
20.	To ensure that General Services performs only necessary repairs and that its costs are reasonable, Caltrans should ensure that its staff adhere to relevant contracting policies, including retaining evidence of its approval of General Services' repair work before and after the completion of a project in the project file.	Fully Implemented	California Department of Transportation
21.	To ensure that General Services performs only necessary repairs and that its costs are reasonable, Caltrans should reconcile General Services' estimates for the repair projects with the scope of work the Department of Finance (Finance) approved in the transfer request form, and, if applicable, explain any differences.	Fully Implemented	California Department of Transportation
22.	To ensure that General Services performs only necessary repairs and that its costs are reasonable, Caltrans should reconcile the actual work General Services performs to the scope of work approved in the project work plans.	Fully Implemented	California Department of Transportation
23.	To ensure that General Services performs only necessary repairs and that its costs are reasonable, Caltrans should reconcile the actual expenditures for the projects listed in the transfer request form approved by Finance and the approved budget in the project work plans with General Services' actual expenditures for each project.	Fully Implemented	California Department of Transportation
24.	To ensure that General Services performs only necessary repairs and that its costs are reasonable, Caltrans should modify its March 2012 tracking spreadsheet to ensure that it contains sufficient information for Caltrans to effectively monitor repair costs.	Fully Implemented	California Department of Transportation
39.	To comply with the 2007 court ruling and the APA until such time as the Legislature may choose to act, Caltrans should establish regulations to govern the sales process for the SR 710 properties affected by the Roberti Bill.	Not Fully Implemented†	California Department of Transportation
40.	To pursue alternatives to its management of the SR 710 properties, Caltrans should prepare a cost-benefit analysis to determine if the State would save money by hiring a private vendor to manage the properties. If such savings would occur, Caltrans should seek an exemption under Government Code, Section 19130 (a), to hire a private vendor.	Not Fully Implemented†	California Department of Transportation
41.	To pursue alternatives to its management of the SR 710 properties, Caltrans should perform an analysis to compare the cost of establishing a joint powers authority to its current costs of managing the properties.	Fully Implemented	California Department of Transportation

Report Number I2012-1

Investigations of Improper Activities by State Agencies and Employees: Bribery, Conspiracy to Commit Mail Fraud, Improper Overtime Payments, Improper Use of Lease Proceeds, Improper Travel Expenses, and Other Violations of State Law **(December 2012)**

	RECOMMENDATION	STATUS OF RECOMMENDATION	ENTITY
17.	Fish and Game should seek either corrective or disciplinary action against the supervisor for his failure to ensure that Fish and Game used lease proceeds in accordance with the terms of the lease and to ensure that these proceeds were accounted for in the State Treasury where necessary.	Fully Implemented	Department of Fish and Wildlife‡
18.	Fish and Game should amend the terms of its leases either to require that the lessee make lease payments to the State or to include specific improvements and repairs of comparable value that the lessee must perform in lieu of making lease payments. In either instance, Fish and Game should include a provision in the lease for payment if the lessee owes money to the State at the end of the lease period. If it decides that future leases should require a lessee to make specific improvements and repairs, Fish and Game should do the following: • Develop a system to track all pertinent information related to a lessee's cost for improvements and repairs to be credited against the lease. • Require the supervisor to reconcile payment records at least annually with each lessee to ensure that the State's records are accurate and that the State receives full benefit from leasing the state property.	Fully Implemented	Department of Fish and Wildlife‡

	RECOMMENDATION	STATUS OF RECOMMENDATION	ENTITY
19.	Fish and Game should provide training to those involved with the lease to ensure that it properly accounts for and reconciles future work and payments related to the leased property, that it does not pay operational and equipment expenses with proceeds derived from the lease, and that all parties understand what work Fish and Game expects as the result of the agreement.	Partially Implemented	Department of Fish and Wildlife‡
21.	Resources should designate the employee's headquarters as Resources headquarters in Sacramento.	Fully Implemented	California Natural Resources Agency
22.	Resources should discontinue reimbursing employees improperly for their commute-related expenses and lodging and for meal expenses incurred within 50 miles of their headquarters.	Fully Implemented	California Natural Resources Agency

Report Number 2012-104

Southeastern Los Angeles County: Various Reasons Affect the Rates Water Suppliers Charge and the Rate Increases They Have Imposed **(January 2013)**

	RECOMMENDATION	STATUS OF RECOMMENDATION	ENTITY
1.	To ensure that it can meet the burden of proof that its water fees comply with Article XIII D of the California Constitution, Downey should be able to provide, upon request, documentation that all transfers out of the Water Fund are for water-related purposes. Such documentation should be sufficiently detailed and understandable to the layperson.	Fully Implemented	Downey Department of Public Works

Report Number 2012-121.1

Department of Parks and Recreation: Weak Procedures Have Led to Inconsistent Budgetary Reporting and Difficulties in Measuring the Impact of Efforts to Keep Parks Open **(February 2013)**

	RECOMMENDATION	STATUS OF RECOMMENDATION	ENTITY
1.	To ensure that it reports consistent amounts to Finance and the State Controller, the department's budget office should develop and implement detailed procedures that describe how to use the year-end financial statements to report prior-year accounting information to Finance. These procedures should include steps to ensure that the ending fund balances reported in the most recent governor's budget and the State Controller's budgetary report agree, and that the subsequent year's beginning fund balances in the governor's budget do not carry forward any differences.	Partially Implemented	Department of Parks and Recreation
2.	The department's executive management should monitor the budget process closely to prevent any future variances from established policies and procedures designed to ensure accurate reporting.	Partially Implemented	Department of Parks and Recreation
4.	To ensure that any significant changes affecting fund balances proposed by Finance for presentation in the governor's budget are presented accurately and transparently, the department should develop procedures to require higher-level review and approval of such changes by its chief deputy director, director, and potentially the secretary for the Natural Resources Agency. The department should identify levels of significance for the proposed changes in fund balances that would trigger seeking these higher-level approvals.	Partially Implemented	Department of Parks and Recreation
5.	To ensure accurate reporting of expenditures and prior-year adjustment amounts to Finance for the governor's budget, the department's budget office should continue its planned efforts to establish policies and procedures. These procedures should include specific steps to identify, investigate, resolve, and document differences in reporting by the budget and accounting offices.	Partially Implemented	Department of Parks and Recreation
7.	To ensure that it adheres to the statutory requirement to reduce services or close parks to achieve any required budget reductions in the future, the department should determine the amount necessary to fully operate its 278 parks at the 2010 level. Moreover, the department should document its calculations and ensure that they include all costs associated with the operation of parks in 2010.	Partially Implemented	Department of Parks and Recreation

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	RECOMMENDATION	STATUS OF RECOMMENDATION	ENTITY
8.	To address the possibility of any future park service reductions or closures, the department should develop a detailed process for evaluating the criteria that it must consider in selecting parks for reduced services or park closures. To ensure transparency to the public and to demonstrate that it followed its process, the department should also document the details of its analyses that support its selection of parks for reduced services or closures.	Pending	Department of Parks and Recreation
9.	To assure the Legislature and the public that future proposed park service reductions and closures are appropriate to achieve any required budget reduction, the department should develop individual park operating costs and update these costs periodically. These individual park costs should include all direct and indirect costs associated with operating the park, and the aggregated costs of all the individual parks should correspond with the related fiscal year's actual expenditures needed to operate the department's park system. Additionally, when proposing park service reductions or closures in the future, the department should compare the most recent cost estimates to the amount the department determines is necessary to fully operate its 278 parks at the 2010 level to determine the actual amount of the reductions or closures needed.	Partially Implemented	Department of Parks and Recreation

Report Number I2009-0640

California Department of Transportation: Caltrans Employees Engaged in Inexcusable Neglect of Duty, Received Overpayment for Overtime, Falsified Test Data, and Misappropriated State Property **(March 2013)**

	RECOMMENDATION	STATUS OF RECOMMENDATION	ENTITY
1.	To address the false claims for overtime and differential work hours submitted by Technician A and approved by his supervisor, we recommend that Caltrans seek $6,834 in reimbursement from Technician A for the overtime and pay differential payments that he received improperly.	Resolved	California Department of Transportation
2.	To address the false claims for overtime and differential work hours submitted by Technician B and approved by his supervisor, we recommend that Caltrans seek $6,954 in reimbursement from Technician B for the overtime and pay differential payments that he received improperly.	Resolved	California Department of Transportation
3.	To address the false claims for overtime and differential work hours submitted by technicians A and B and approved by their supervisor, we recommend that Caltrans establish a system to enforce the requirement that specific overtime hours be preapproved for an employee to be compensated for the hours.	Fully Implemented	California Department of Transportation
4.	To address the false claims for overtime and differential work hours submitted by technicians A and B and approved by their supervisor, we recommend that Caltrans reinforce with Caltrans supervisors that they have a duty to verify that overtime and specially compensated work actually has been performed prior to authorizing payment for the work.	Fully Implemented	California Department of Transportation
5.	To address the false claims for overtime and differential work hours submitted by technicians A and B and approved by their supervisor, we recommend that Caltrans require the hours of overtime and differential work claimed by an employee to be matched with specific projects before they are approved for payment to help ensure that the hours claimed are legitimate.	Fully Implemented	California Department of Transportation
6.	To address the lack of controls that allowed the falsification of gamma gamma logging testing data by Technician A and the engineer, we recommend that Caltrans require that Foundation Testing Branch technicians submit to an engineer both the raw data file and log ASCII data file for every gamma gamma logging test performed for a project to help ensure that testing data has not been falsified.	Fully Implemented	California Department of Transportation
7.	To address the lack of controls that allowed the falsification of gamma gamma logging testing data by Technician A and the engineer, we recommend that Caltrans implement the recommendations of the GAMDAT peer reviewers intended to improve the gamma gamma logging testing procedures of the Foundation Testing Branch.	Fully Implemented	California Department of Transportation
8.	To address the lack of controls that allowed the falsification of gamma gamma logging testing data by Technician A and the engineer, we recommend that Caltrans implement any recommendations made by the GAMDAT team intended to strengthen the integrity of the gamma gamma logging testing performed by the Foundation Testing Branch.	Partially Implemented	California Department of Transportation
9.	To address the lack of controls that allowed the falsification of gamma gamma logging testing data by Technician A and the engineer, we recommend that Caltrans implement a policy to ensure that engineers perform analyses on properly collected data and do not misrepresent gamma gamma logging test results.	Fully Implemented	California Department of Transportation

	RECOMMENDATION	STATUS OF RECOMMENDATION	ENTITY
10.	To address the misappropriation of state property by the supervisor, we recommend that Caltrans obtain an estimate of the value of the materials the supervisor removed from Caltrans facilities and placed on his property (aside from the steel beams) as well as the value of the state employee time spent refashioning and transporting those materials.	Partially Implemented	California Department of Transportation
11.	To address the misappropriation of state property by the supervisor, we recommend that Caltrans seek reimbursement from the supervisor for the $2,000 cost of transporting the steel beams that he placed on his land back to a Caltrans facility.	Partially Implemented	California Department of Transportation
12.	To address the misappropriation of state property by the supervisor, we recommend that Caltrans seek reimbursement from the supervisor for the cost of the Caltrans materials (aside from the steel beams) that he transported to his land and the cost of the state employee time spent transporting and refashioning those materials.	Partially Implemented	California Department of Transportation
13.	To address the misappropriation of state property by the supervisor, we recommend that Caltrans establish controls to ensure that materials intended for a construction project are tracked properly, and that when materials intended for a federal highway project are not used for the project, the materials are reused for other federal projects or returned to the Highway Administration.	Partially Implemented	California Department of Transportation
14.	To address the misappropriation of state property by the supervisor, we recommend that Caltrans establish controls to ensure that scrap materials are recycled and not taken for personal use by Caltrans employees.	Fully Implemented	California Department of Transportation

Report Number 2012-110

Special Interest License Plate Funds: The State Has Foregone Certain Revenues Related to Special Interest License Plates and Some Expenditures Were Unallowable or Unsupported **(April 2013)**

	RECOMMENDATION	STATUS OF RECOMMENDATION	ENTITY
1.	To ensure that programs supported by special plates receive appropriate amounts of revenues due to them, Motor Vehicles should annually collect all fees for special plates that are no longer on a vehicle but are retained by the plate owner.	Pending	Department of Motor Vehicles
2.	Motor Vehicles should ensure that the fees it lists in its application for special plates, as well as any other publications, are supported by the appropriate statutes.	Pending	Department of Motor Vehicles
3.	Motor Vehicles should assess the extent to which it has charged fees for special plates that are not consistent with those prescribed in statutes and take appropriate action.	Pending	Department of Motor Vehicles
4.	To ensure that it accurately recovers its administrative costs related to special plates, Motor Vehicles should continue to annually calculate the administrative costs for the plates when recovering these costs for the personalized plates through the State's budget process.	Pending	Department of Motor Vehicles
5.	Motor Vehicles should periodically assess the cost and benefits of updating its automated systems to reflect current per-plate administrative costs. If Motor Vehicles determines that doing so is cost-effective, it should update its automated systems to reflect the up-to-date administrative costs for all these plates.	Pending	Department of Motor Vehicles
8.	To ensure that it properly administers its contract services paid from the antiterrorism fund, Food and Agriculture should verify that it has an executed contract in place before obtaining services under the contract and should monitor its contractors for compliance with provisions of the contracts and with state contracting laws.	Pending	Department of Food and Agriculture
12.	To make certain that money from the special plate funds pay only for allowable and supportable activities, Food and Agriculture should ensure that employees submit signed time reports to support the time they spend on antiterrorism-related activities.	Pending	Department of Food and Agriculture
13.	To make certain that money from the special plate funds pay only for allowable and supportable activities, Food and Agriculture should use all appropriate funding sources to pay for any expenses that benefit multiple programs in proportion to the benefits those programs actually receive.	Pending	Department of Food and Agriculture
14.	To make certain that money from the special plate funds pay only for allowable and supportable activities, Parks and Recreation should ensure that environmental fund money budgeted to its offices is supported by the proportion of the offices' activities that state law allows.	Pending	Department of Parks and Recreation

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	RECOMMENDATION	STATUS OF RECOMMENDATION	ENTITY
15.	To make certain that money from the special plate funds pay only for allowable and supportable activities, Resources should use all appropriate funding sources to pay for any expenses that benefit multiple programs in proportion to the benefits these programs actually receive. Further, it should ensure that its allocation of such expenses to different funds is equitable and supported.	Will Not Implement	California Natural Resources Agency
16.	To ensure that the governor and Legislature have sufficient and appropriate information with which to make decisions on the most effective use of environmental fund money, Resources should submit to the governor and Legislature the annual and triennial reports containing the information that state law requires.	Pending	California Natural Resources Agency

Report Number 2012-120

State Water Resources Control Board: It Should Ensure a More Consistent Administration of the Water Quality Certification Program **(June 2013)**

	RECOMMENDATION	STATUS OF RECOMMENDATION	ENTITY
1.	To ensure that regional water boards, as well as the state water board itself, follow a more consistent process when reviewing water quality applications and issuing certifications, and to comply with state and federal requirements, the state water board should remind regional water boards of required application processing time frames and notifications.	Partially Implemented	Water Resources Control Board
2.	The state water board should also continue with its effort to adopt a single application form for the certification program.	Partially Implemented	Water Resources Control Board
3.	To ensure that applicants pay the correct fee amounts for the certification program, the state water board should direct North Coast as well as the other regional water boards to verify the accuracy of fees that applicants submit to them.	Partially Implemented	Water Resources Control Board
4.	North Coast should continue with its plans to collect from Caltrans the underpayment of application fees and to reimburse the overpayment of application fees that we identified. It should also consider reviewing a selection of past application fees it received from Caltrans to determine if other errors exist.	Partially Implemented	Water Resources Control Board
5.	The state water board should direct regional water boards to more consistently monitor compliance with water quality certifications and use the water quality database to track their monitoring efforts.	Pending	Water Resources Control Board
6.	When regional water boards include staff enforcement costs in the penalty actions they issue, the state water board should require that they use a systematic method for tracking the hours staff spend on enforcement activities related to penalty actions and maintain documentary support for these staff enforcement cost calculations.	Pending	Water Resources Control Board
7.	If regional water boards continue to include staff enforcement costs in the penalty actions they issue, the state water board should revise its staff cost rate to reflect actual staff salaries and overhead cost for the certification program.	Pending	Water Resources Control Board
8.	To ensure that it accurately records and uses fines it collects for violations of water quality certifications, the state water board should maintain a regular accounting of these fines.	Partially Implemented	Water Resources Control Board
9.	To improve its ability to allocate adequate resources to the certification program and better assess whether its budget is sufficient for program operations, the state water board should instruct regional water boards to accurately track staff time spent on the certification program.	Pending	Water Resources Control Board
10.	If Caltrans believes that responding to the monitoring requirements and enforcement actions related to the certification program is too costly, it should begin to gather and track these costs using its accounting system. Once it has tracked these costs for a period of time, Caltrans should analyze whether these monitoring and enforcement activities are, in fact, too costly and work with the state and regional water boards to resolve how these costs might be better contained.	Pending	California Department of Transportation
11.	Because the water quality database is the primary system for meeting statutory reporting obligations for the certification program, the state water board should resolve its data entry backlog and ensure that the regional water boards enter all relevant information into the system, including information about the applications received, the certifications issued, monitoring activities, water quality violations, and enforcement actions.	Fully Implemented	Water Resources Control Board

Report Number 2012-118

California Public Utilities Commission: Despite Administrative Weaknesses, It Has Generally Awarded Compensation to Intervenors in Accordance With State Law **(July 2013)**

	RECOMMENDATION	STATUS OF RECOMMENDATION	ENTITY
1.	To prevent intervenors from expending resources in proceedings where they are ineligible to receive compensation, the commission should comply with state law by issuing within 30 days preliminary rulings concerning an intervenor's eligibility, when required to do so.	Fully Implemented	Public Utilities Commission
2.	The commission should determine the cause of its lack of compliance with state law requiring it to issue award decisions within 75 days of the date an intervenor submits a compensation claim, and it should determine what actions to take to rectify the problem. The commission should ensure that it has sufficient information, such as detailed tracking information regarding claims, to identify where in the process delays are occurring. If the commission determines that the current 75-day statutory period is unreasonable, it should seek a change in state law.	Partially Implemented	Public Utilities Commission
3.	To ensure that utilities and commission staff pay the correct amount of interest to intervenors, the commission should complete its effort to develop and distribute a methodology for calculating reasonable interest on compensation decisions issued after the 75-day deadline. The commission should follow the new procedure to ensure that it calculates interest payments appropriately. To the extent reasonable, the commission should recoup the interest overpaid to intervenors.	Partially Implemented	Public Utilities Commission
4.	To ensure that it has reliable information concerning its compensation decisions for internal and external reporting, the commission should implement procedures to ensure the accuracy of its award database.	Partially Implemented	Public Utilities Commission
5.	To comply fully with state law, the commission should conduct a comprehensive market rate study and update it periodically.	Pending	Public Utilities Commission
6.	Commission staff should complete their effort to develop formal procedures to verify and document the qualifications of intervenors' attorneys and experts. The commission should implement the new procedures to ensure that it awards intervenors an appropriate hourly rate based on verified qualifications.	Partially Implemented	Public Utilities Commission
7.	To ensure that the commission complies with state law and does not inappropriately compensate intervenors, it should complete its effort to develop procedures for staff to routinely check whether an intervenor that represents the interests of small commercial customers who receive bundled electric service from an electrical corporation may have a conflict of interest arising from prior representation before the commission.	Fully Implemented	Public Utilities Commission
8.	The commission should work with intervenors through workshops or other means to clarify any confusion related to how it determines that work intervenors perform is reasonable.	Pending	Public Utilities Commission

Report Number 2012-121.2

Department of Parks and Recreation: Flaws in Its Budget Allocation Processes Hinder Its Ability to Effectively Manage the Park System **(September 2013)**

	RECOMMENDATION	STATUS OF RECOMMENDATION	ENTITY
1.	To ensure that districts receive timely budget allocations, the department should establish and implement a formal allocation process by January 2014 that includes the following: • A timeline that mirrors the State's budget process and describes when the department will provide park districts with draft allocations, revisions to draft allocations, and final allocations. • A description of the roles and responsibilities of key staff involved in the process, including budget office staff, the deputy directors and division chiefs for park operations and the Off-Highway Motor Vehicle Recreation division, and district superintendents.	Partially Implemented	Department of Parks and Recreation
2.	To reduce duplicate expenditure tracking and increase the effectiveness of its budget process, the department should develop procedures requiring the districts to prepare and submit spending plans and to periodically submit their total expenditures after reconciling them with the Fiscal Tracking System. The procedures should specify how often districts should provide this information to the department to ensure that the budget office and park management can appropriately oversee the districts' budgets and spending.	Partially Implemented	Department of Parks and Recreation

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	RECOMMENDATION	STATUS OF RECOMMENDATION	ENTITY
3.	To ensure that it can comply with state law in the event that it must close parks or reduce park services in the future, the department should improve its methodology for developing individual park unit budgets and determining and tracking park-level costs. Specifically, the department should update its description of phase one to adequately explain how it will reconcile individual park costs for fiscal year 2010–11 to the department's total actual expenditures to operate the parks.	Pending	Department of Parks and Recreation
4.	To ensure that it can comply with state law in the event that it must close parks or reduce park services in the future, the department should improve its methodology for developing individual park unit budgets and determining and tracking park-level costs. Specifically, the department should develop specific time frames and deliverables for the completion of phases two and three of its plan. These time frames should include specific completion dates for each key component of the phases.	No Action Taken	Department of Parks and Recreation
5.	To ensure that it can comply with state law in the event that it must close parks or reduce park services in the future, the department should improve its methodology for developing individual park unit budgets and determining and tracking park-level costs. Specifically, the department should provide training as soon as possible to park operations staff to ensure that they consistently collect the data necessary for phase two.	Pending	Department of Parks and Recreation
6.	To ensure that it can comply with state law in the event that it must close parks or reduce park services in the future, the department should improve its methodology for developing individual park unit budgets and determining and tracking park-level costs. Specifically, the department should determine how it will define service levels and measure whether those levels are being met so it can provide budgets for each park unit, as phase three of its process requires.	Pending	Department of Parks and Recreation
7.	To ensure that the Legislature has the information necessary to make any future decisions related to service reductions or park closures, beginning in fiscal year 2014–15 the department should provide it with an annual report that details the costs to operate each park unit.	Pending	Department of Parks and Recreation
8.	To prevent unauthorized leave buyback transactions, the department should provide training by December 2013 to all department managers and personnel staff who might be involved in leave buyback transactions to ensure that they understand the State's requirements regarding leave buybacks.	Pending	Department of Parks and Recreation
9.	To prevent unauthorized leave buyback transactions, the department should establish written policies and procedures requiring the personnel office's transactions unit to obtain documentation from managers who request leave buyback transactions. The documentation should specify the authority for the leave buyback and include appropriate authorizing signatures.	Pending	Department of Parks and Recreation
10.	To prevent unauthorized leave buyback transactions, the department should increase the level of supervisory review to ensure that transactions unit staff process only authorized and properly coded leave buyback transactions.	Pending	Department of Parks and Recreation
11.	To prevent unauthorized leave buyback transactions, the department should limit access for keying transactions to the payroll system only to authorized personnel staff.	Pending	Department of Parks and Recreation
12.	To improve the effectiveness of the Executive Personnel Review Committee (EPRC), the department should update its administrative manual by March 2014 to specify the members of the EPRC, the members' roles and responsibilities, and the personnel actions that the EPRC is responsible for reviewing.	Partially Implemented	Department of Parks and Recreation
13.	To improve the effectiveness of the EPRC, the department should establish policies and procedures by March 2014 to govern the EPRC's decisions on personnel actions. These policies and procedures should include the specific factors and their relative importance that the members must consider when making decisions and should require the EPRC to document its decisions and the reasons for those decisions.	Partially Implemented	Department of Parks and Recreation
14.	To improve the effectiveness of the EPRC, by March 2014, the department should require the EPRC to periodically provide a summary report of its decisions to the director's office so that the director can monitor whether those decisions are consistent with his priorities.	Partially Implemented	Department of Parks and Recreation
15.	To improve the effectiveness of the EPRC, the department should establish a process by March 2014 through which the director's office provides formal direction to the EPRC regarding staffing priorities.	Partially Implemented	Department of Parks and Recreation

	RECOMMENDATION	STATUS OF RECOMMENDATION	ENTITY
16.	To ensure that its position control unit staff do not circumvent state law to preserve vacant positions, the department should establish procedures that include a process to periodically review any personnel transactions that are not subject to EPRC review. It should provide a summary report of this review to the director's office and the EPRC.	Pending	Department of Parks and Recreation

Report Number 2013-107

Accounts Outside the State's Centralized Treasury System: Processes Exist to Safeguard Money, but Controls for These Accounts Need Strengthening **(October 2013)**

	RECOMMENDATION	STATUS OF RECOMMENDATION	ENTITY
8.	To safeguard cost recovery program revenue, Cal Fire should, within the next six months, implement adequate segregation of duties for its cost recovery program revenues. For example, it should require that cost recovery payments be mailed to its accounting office, as are other payments.	Pending	Department of Forestry and Fire Protection
9.	To safeguard cost recovery program revenue, Cal Fire should, within the next six months, develop policies and procedures requiring personnel not affiliated with the cost recovery program to reconcile expected cost recovery payments to deposits.	Pending	Department of Forestry and Fire Protection
10.	To safeguard cost recovery program revenue, Cal Fire should, within the next six months, develop a process to track civil cost recovery cases statewide to monitor compliance with policies as well as monitor collection status.	Pending	Department of Forestry and Fire Protection
11.	Cal Fire should continue its efforts to determine what happened to the $13,470 check that was not deposited in the Wildland Fire Fund.	Pending	Department of Forestry and Fire Protection
12.	To ensure that it possesses all equipment purchased with Wildland Fire Fund money, Cal Fire should compile a complete list of equipment purchased with these funds and reconcile it to the attorneys association's accounting records.	Pending	Department of Forestry and Fire Protection
13.	To ensure that it possesses all equipment purchased with Wildland Fire Fund money, Cal Fire should tag all equipment purchased through the Wildland Fire Fund.	Partially Implemented	Department of Forestry and Fire Protection
14.	To ensure that it possesses all equipment purchased with Wildland Fire Fund money, Cal Fire should perform a periodic inventory of equipment.	Partially Implemented	Department of Forestry and Fire Protection

Report Number 2013-101

Salton Sea Restoration Fund: The State Has Not Fully Funded a Restoration Plan and the State's Future Mitigation Costs Are Uncertain **(November 2013)**

	RECOMMENDATION	STATUS OF RECOMMENDATION	ENTITY
6.	To ensure that the Legislature has the information necessary to meet the State's restoration goals and to plan for the State's future financial obligations related to mitigation, the Resources Agency should work with Fish and Wildlife and Water Resources to provide a written report to the Legislature on its recommendations for the content of the feasibility study no later than February 1, 2014. It should include in the report the State's progress to date on the Habitat Project.	Pending*	California Natural Resources Agency
7.	To ensure that the Legislature has the information necessary to meet the State's restoration goals and to plan for the State's future financial obligations related to mitigation, the Resources Agency should work with Fish and Wildlife and Water Resources to meet with the Legislature regularly to provide updates on the status of its restoration efforts and the feasibility study to ensure that the Legislature has the information necessary to make funding and other informed decisions.	Pending*	California Natural Resources Agency

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	RECOMMENDATION	STATUS OF RECOMMENDATION	ENTITY
8.	To ensure that the Legislature has the information necessary to meet the State's restoration goals and to plan for the State's future financial obligations related to mitigation, the Resources Agency should work with Fish and Wildlife and Water Resources to develop an estimate of the costs, adjusted for inflation, that the State may incur for fulfilling its financial obligations related to mitigation under the QSA. The Resources Agency should include this information in the feasibility study so the Legislature is fully aware of the estimated costs and timing of the State's future financial obligations.	Pending*	California Natural Resources Agency

Senate Budget Subcommittee 3: Health and Human Services

Report Number 2011-113

Salinas Valley Memorial Healthcare System: Increased Transparency and Stronger Controls Are Necessary as It Focuses on Improving Its Financial Situation **(March 2012)**

	RECOMMENDATION	STATUS OF RECOMMENDATION	ENTITY
1.	To provide members of the public with opportunities to meaningfully participate in board meetings regarding executive compensation matters, and to hold the board accountable for its decisions on these matters, the Health Care System should develop a formal policy that establishes a process for determining executive compensation, including retirement benefits, that clearly documents all executive compensation decisions.	Fully Implemented	Salinas Valley Memorial Healthcare System
2.	To provide members of the public with opportunities to meaningfully participate in board meetings regarding executive compensation matters, and to hold the board accountable for its decisions on these matters, the Health Care System should clearly indicate compensation matters on the agendas for its board meetings.	Fully Implemented	Salinas Valley Memorial Healthcare System
3.	To provide members of the public with opportunities to meaningfully participate in board meetings regarding executive compensation matters, and to hold the board accountable for its decisions on these matters, the Health Care System should discuss executive compensation matters only in open sessions of board meetings, except in the limited circumstances that allow for discussion in closed sessions.	Fully Implemented	Salinas Valley Memorial Healthcare System
4.	To ensure that the terms of its CEO's employment and compensation are clear, and to aid the board in its oversight role, the Health Care System should engage its next permanent CEO in a written employment contract.	Fully Implemented	Salinas Valley Memorial Healthcare System
5.	To help reduce its operating costs and improve its overall financial situation, the Health Care System should continue to try to modify its employee benefits, such as paid time off, so they are aligned with industry practice.	Not Fully Implemented†	Salinas Valley Memorial Healthcare System
6.	To ensure that the Health Care System, its board members, medical staff, employees, and consultants are engaged only in appropriate business relationships with respect to their economic interests, the Health Care System should engage an independent investigator to review the Health Care System's business relationships with entities that we identified as being economic interests of its board members and executives to determine whether any of the relationships violate applicable legal prohibitions and take appropriate corrective action if they do.	Fully Implemented	Salinas Valley Memorial Healthcare System
7.	To ensure that the Health Care System, its board members, medical staff, employees, and consultants are engaged only in appropriate business relationships with respect to their economic interests, the Health Care System should implement the requirement in its recently updated conflict-of-interest policy that board members, medical staff, employees, and consultants disclose potential conflict-of-interest situations to their supervisors and the ethics and compliance officer, who shall review each situation and make a determination on the appropriate resolution.	Fully Implemented	Salinas Valley Memorial Healthcare System
8.	To ensure that it has an up-to-date, approved conflict-of-interest code, the Health Care System should develop a protocol to file an action through the superior court to adopt a code if, in the future, the board of supervisors does not approve a code within six months of one being submitted to it by the Health Care System and if follow-up efforts with the board of supervisors prove unsuccessful.	Fully Implemented	Salinas Valley Memorial Healthcare System

	RECOMMENDATION	STATUS OF RECOMMENDATION	ENTITY
9.	To help ensure that individuals designated by the Health Care System as needing to file statements of economic interests do so, the Health Care System should amend its conflict-of-interest policy to specify an individual as its filing officer, in accordance with guidelines of the Fair Political Practices Commission.	Fully Implemented	Salinas Valley Memorial Healthcare System
10.	To help ensure that individuals designated by the Health Care System as needing to file statements of economic interests do so, the Health Care System should amend its conflict-of-interest policy to delineate the steps its filing officer should take to ensure that all Health Care System board members, medical staff, employees, and consultants who are required to file statements of economic interests do so.	Fully Implemented	Salinas Valley Memorial Healthcare System
11.	To help ensure that individuals designated by the Health Care System as needing to file statements of economic interests do so, the Health Care System should amend its conflict-of-interest policy to specify penalties for failure to file.	Fully Implemented	Salinas Valley Memorial Healthcare System
12.	To help ensure the accuracy and completeness of filed statements of economic interests, the Health Care System's filing officer should follow state regulations for reviewing submitted statements, including verifying the cover sheet for completeness for all submitted statements.	Fully Implemented	Salinas Valley Memorial Healthcare System
13.	To ensure that it is not making gifts of public funds, the Health Care System should develop and implement a policy and written procedures to demonstrate how funds it provides to support entities and programs in the community further the Health Care System's public purposes.	Fully Implemented	Salinas Valley Memorial Healthcare System
14.	To help ensure that the Health Care System has the information it needs to comply with state regulations regarding public disclosure of the disposition of event tickets, the Health Care System should develop and implement a policy and written procedures for tracking its distribution of event tickets. The procedures should ensure that the Health Care System follows state requirements for making pertinent public disclosures.	Fully Implemented	Salinas Valley Memorial Healthcare System
15.	To increase the transparency of its processes for awarding contracts that are not required by law to be selected using a competitive process, the Health Care System should require its employees to fully document the steps they take in selecting contractors and to describe how the selections result in the best value to the Health Care System.	Fully Implemented	Salinas Valley Memorial Healthcare System

Report Number 2011-101.2

Los Angeles County Department of Children and Family Services: Management Instability Hampered Efforts to Better Protect Children **(March 2012)**

	RECOMMENDATION	STATUS OF RECOMMENDATION	ENTITY
1.	To ensure that child abuse and neglect allegations receive timely resolution, the department should continue to monitor the status of its backlog of investigations but revise its policies and performance measures to no longer define the backlog as investigations over 60 days old. Rather, it should emphasize completing investigations within 30 days.	Fully Implemented	Los Angeles County Department of Children and Family Services
2.	To ensure that child abuse and neglect allegations receive timely resolution, the department should assess whether it needs to permanently allocate more resources to investigate allegations of child abuse and neglect.	Not Fully Implemented†	Los Angeles County Department of Children and Family Services
3.	To better ensure that inner-city regional offices are staffed by experienced social workers, the department should consider providing social workers with incentives to work in these areas or require them to remain in these offices for a period longer than the one year currently required.	Fully Implemented	Los Angeles County Department of Children and Family Services
4.	To ensure that it is placing children only in safe homes, the department should measure its performance and adjust its practices to adhere to state law, which requires that all homes be assessed prior to the placement of the child.	Will Not Implement	Los Angeles County Department of Children and Family Services
5.	To improve its process for placing children with a relative, the department should analyze the best practices used by other county child welfare services agencies for such placements. The department should then implement changes in its practices so that relatives and their homes are approved prior to placement, as required by state law.	Will Not Implement	Los Angeles County Department of Children and Family Services

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RECOMMENDATION	STATUS OF RECOMMENDATION	ENTITY
6. To ensure that social workers have as much relevant information as possible when placing children and licensing homes, the department should report requisite allegations of abuse or neglect to the Department of Justice and the Department of Social Services' licensing division.	Fully Implemented	Los Angeles County Department of Children and Family Services
7. To fully benefit from its death review process, the department should implement the resulting recommendations.	Not Fully Implemented†	Los Angeles County Department of Children and Family Services
8. To provide effective leadership, the department director should form a stable executive team by filling the chief deputy director, senior deputy director, and other deputy director positions.	Fully Implemented	Los Angeles County Department of Children and Family Services
9. To create and communicate its philosophy and plans, the department should complete and implement its strategic plan.	Fully Implemented	Los Angeles County Department of Children and Family Services

Report Number 2012-105

Departments of Public Health and Social Services: Weaknesses in the Administration of the Child Health and Safety Fund and the State Children's Trust Fund Limit Their Effectiveness **(November 2012)**

RECOMMENDATION	STATUS OF RECOMMENDATION	ENTITY
1. To ensure that it does not violate provisions of state law that prohibit contracts for services that state employees can perform, Public Health should establish that it has adequate justification to contract under Section 19130 (b), prior to submitting contracts to the Department of General Services for approval.	Fully Implemented	Department of Public Health
2. To comply with state contracting laws and policies that protect the State's interest, Public Health should ensure that its staff do not allow contractors to work before the Department of General Services has approved the contracts.	Fully Implemented	Department of Public Health
3. To comply with state contracting laws and policies that protect the State's interest, Public Health should ensure that its staff do not use service orders to circumvent the State's contracting policies.	Fully Implemented	Department of Public Health
4. To comply with state contracting laws and policies that protect the State's interest, Public Health should recoup the overpayment made to the San Diego State University Research Foundation (research foundation), if applicable.	Resolved	Department of Public Health
5. To determine whether the appropriation to administer the Kids' Plates Program is sufficient, Public Health should continue its plans to evaluate the costs of the regional grants Request for Application (RFA) process and its monitoring of the awards for fiscal year 2012–13. If Public Health determines that the appropriation is insufficient, it should seek an amendment to state law.	Fully Implemented	Department of Public Health
6. To comply with the *State Contracting Manual*, if Public Health chooses to use contractors for the Kids' Plates Program, it should direct its staff to substantiate the expenditures contractors claim. For example, Public Health could ask the contractors to submit for review detailed records substantiating all or a sample of their invoices.	Fully Implemented	Department of Public Health
7. To ensure that it is able to measure its progress toward fulfilling the requirements of the health and safety fund, Public Health should establish performance measurements for the Kids' Plates Program.	Partially Implemented	Department of Public Health
8. To ensure that it is able to measure its progress toward fulfilling the requirements of the health and safety fund, Public Health should periodically assess its progress toward meeting its measureable outcomes.	Partially Implemented	Department of Public Health
9. To ensure that the Office of Child Abuse Prevention (office) complies with the *State Contracting Manual*, Social Services should direct the office to substantiate the expenditures that grantees claim. For example, the office could ask the grantees to submit for review detailed records for all or a sample of their invoices.	Fully Implemented	Department of Social Services
10. To ensure that the office complies with the *State Contracting Manual*, Social Services should direct the office to recover the overpayment from the Children's Bureau of Southern California, if applicable.	Fully Implemented	Department of Social Services

	RECOMMENDATION	STATUS OF RECOMMENDATION	ENTITY
11.	To ensure that it uses trust fund moneys only for permissible uses, Social Services should direct its internal audits staff to periodically perform reviews of the trust fund expenditures.	Fully Implemented	Department of Social Services
12.	To ensure that it uses trust fund moneys only for permissible uses, Social Services should revise its invoicing process to clearly identify the objectives in the scope of work section of its grant agreements and their corresponding funding sources.	Fully Implemented	Department of Social Services
13.	To ensure compliance with the state law governing the trust fund that allows it to fund research and demonstration projects that explore the nature and incidence of child abuse and the development of long-term solutions to the problem of child abuse, Social Services should establish procedures to ensure that all grants it awards for research and demonstration projects clearly demonstrate a linkage to the trust fund's requirements.	Fully Implemented	Department of Social Services
14.	To ensure that the office complies with the *State Contracting Manual*, Social Services should direct the office to update its guidelines for grant administration to establish a formal process for reviewing the grantees' progress reports and interim products. This process should include documenting the office's review and assessment of whether the grantees meet the goals, objectives, and measurable outcomes in their grant requirements.	Fully Implemented	Department of Social Services
15.	To ensure that the office complies with the *State Contracting Manual*, Social Services should direct the office to retain the documentary evidence of its review and assessment in the grantee files.	Fully Implemented	Department of Social Services
16.	To ensure that its efforts funded by the trust fund are preventing or reducing incidences of child abuse and neglect, Social Services should develop universal performance measurements for the trust fund.	Partially Implemented	Department of Social Services
17.	To ensure that its efforts funded by the trust fund are preventing or reducing incidences of child abuse and neglect, Social Services should ensure that the performance measurements are reflected in the grants it awards.	Partially Implemented	Department of Social Services
18.	To ensure that its efforts funded by the trust fund are preventing or reducing incidences of child abuse and neglect, Social Services should evaluate the performance measurements annually to assess whether the trust fund's programs and services are effective in reducing incidences of child abuse and neglect.	Partially Implemented	Department of Social Services
19.	To ensure compliance with the state law that requires the office to publish certain trust fund information, Social Services should require the office to establish procedures to ensure inclusion on its Web site of all programs and services it funded using the trust fund.	Fully Implemented	Department of Social Services
20.	To ensure compliance with the state law that requires the office to publish certain trust fund information, Social Services should require the office to publish on its Web site the amount in the trust fund as of June 30 each year.	Fully Implemented	Department of Social Services
21.	To improve the presentation of the information it publishes for the trust fund, Social Services should establish a link that separately provides descriptions of the types of programs and services it funds using the trust fund and the target populations that benefit from the programs.	Fully Implemented	Department of Social Services
22.	To improve the presentation of the information it publishes for the trust fund, Social Services should present the amount it disbursed from the trust fund in the prior fiscal year by the amount spent for each program or service.	Fully Implemented	Department of Social Services

Report Number 2012-111

California Department of Public Health: It Needs to Improve Accuracy in Accounting and Charging for Compliance Inspections Designed to Reduce Youth Access to Tobacco and It Could Enhance Its Compliance Inspections **(June 2013)**

	RECOMMENDATION	STATUS OF RECOMMENDATION	ENTITY
1.	To ensure that it can support its labor costs, Public Health should implement a process to accurately track the time its staff spends conducting statewide and local compliance inspections.	Fully Implemented	California Department of Public Health
2.	It should allocate expenses associated with statewide and local compliance inspections to the appropriate funding source, based on the time staff spends conducting those activities, and it should maintain accurate accounting records to reflect actual costs of statewide and local compliance inspections.	Fully Implemented	California Department of Public Health

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	RECOMMENDATION	STATUS OF RECOMMENDATION	ENTITY
3.	When Public Health enters into new contracts with local entities to conduct compliance inspections, it should evaluate its historical costs of conducting these inspections to ensure that the existing rates are adequate to recoup its costs. If it determines that the existing rates are not adequate, it should develop a new rate that accurately reflects its true costs.	No Action Taken	California Department of Public Health
4.	When Public Health enters into new contracts with local entities to conduct compliance inspections, it should ensure that it maintains adequate documented support for the rate it charges for a compliance inspection.	No Action Taken	California Department of Public Health
5.	Public Health should amend its recent contract with the city of Los Angeles to correct the rate it charges for a local compliance inspection to reflect its true cost.	No Action Taken	California Department of Public Health
6.	To ensure that Public Health can more effectively monitor and enforce compliance with the STAKE Act, it should take appropriate steps to ensure that there are no restrictions placed on the use of the data acquired during the annual retailer assessment that would preclude its use for compliance inspection purposes.	No Action Taken	California Department of Public Health
7.	To ensure that Public Health can more effectively monitor and enforce compliance with the STAKE Act, it should annually obtain the identifying information regarding the retailers that sold tobacco to minors during the annual retailer assessment and provide that information to the Food and Drug Branch.	No Action Taken	California Department of Public Health
8.	To ensure that Public Health can more effectively monitor and enforce compliance with the STAKE Act, it should include the retailers that sold tobacco to minors during the annual retailer assessment when selecting the retailers it plans to inspect as part of the statewide compliance inspections.	No Action Taken	California Department of Public Health
9.	Public Health should add language to its youth decoy and parent or legal guardian consent form to clarify that the data obtained from the youth's participation may be used in future research in a way that will not reveal the identity of the youth.	Fully Implemented	California Department of Public Health

Report Number 2012-107

Developmental Centers: Poor-Quality Investigations, Outdated Policies, Leadership and Staffing Problems, and Untimely Licensing Reviews Put Residents at Risk **(July 2013)**

	RECOMMENDATION	STATUS OF RECOMMENDATION	ENTITY
1.	The department should provide a reminder to staff about the importance of promptly notifying the Office of Protective Services (OPS) of incidents involving resident safety.	Fully Implemented	Department of Developmental Services
2.	Within 60 days, the department should make the following amendments to its policies and procedures for OPS: • Clarify who is responsible for deciding whether to make district attorney referrals. • Clarify that the final decision to initiate a specialized medical examination for an alleged victim of sexual assault rests with OPS, not with health care staff. • Require OPS investigators to document their efforts to communicate with alleged victims of abuse, including nonverbal clients, and require supervisors to verify that such efforts have been made when approving investigation reports. • Direct its investigators to record the potential violations of law or facility policy they identify and consider during each investigation.	Fully Implemented	Department of Developmental Services
3.	To ensure adequate guidance to OPS personnel, once the department has amended OPS's policies and procedures to reflect the recommendations we have included here, the department and OPS should place a high priority on completing and implementing its planned updates to the OPS policy and procedure manual.	Pending	Department of Developmental Services
4.	OPS should provide additional training to its law enforcement personnel on how to conduct an initial incident investigation, particularly regarding collection of written declarations and photographs of alleged victims following an incident.	Pending	Department of Developmental Services
5.	To avoid jeopardizing the integrity of its criminal investigations with compelled statements acquired through administrative admonishments, the department should require that different OPS investigators conduct the administrative investigation and the criminal investigation when they involve the same incident.	Pending	Department of Developmental Services

	RECOMMENDATION	STATUS OF RECOMMENDATION	ENTITY
6.	As soon as possible, the department should hire a permanent OPS director and permanent OPS commanders that are highly qualified staff capable of performing the administrative functions these positions require.	Pending	Department of Developmental Services
7.	To help ensure the quality of OPS investigations, the department should revise its OPS training policy to require its law enforcement personnel to attend annually specialized trainings that address their specific needs. At least initially, the department should focus the additional trainings on communicating with residents, writing effective investigative reports, and collecting investigative evidence. To further develop the leadership skills of OPS management, the department should consider having experienced or particularly skilled members of its OPS management provide this annual training.	Pending	Department of Developmental Services
8.	To ensure that it has adequate numbers of staff to properly and promptly investigate developmental center incidents, the department should address the high number of vacancies within OPS by instituting a formal recruitment program in accordance with the guidance provided in the California State Personnel Board's Merit Selection Manual, as well as using input from OPS law enforcement personnel.	Pending	Department of Developmental Services
9.	After the department has implemented a formal OPS recruiting program, if it can demonstrate that it is still having trouble filling vacant OPS positions, the department should evaluate how it can reduce some of the compensation disparity between OPS and the local law enforcement agencies with which it competes for qualified personnel.	Pending	Department of Developmental Services
10.	To make certain that residents receive an adequate level of care and are protected from harm, the department should encourage Human Resources—which is responsible for negotiating labor agreements with employee bargaining units—to include provisions in future collective agreements to cap the number of voluntary overtime hours an employee can work and/or require departments to distribute overtime hours more evenly among staff. If, in the next round of negotiating bargaining unit agreements, Human Resources does not include provisions to cap the number of voluntary overtime hours an employee can work, the department should continue to advocate for these changes for future agreements. In the meantime, the department should adjust its overtime scheduling and monitoring practices to strengthen, where possible, procedures designed to ensure that staff working overtime do not compromise residents' health and safety.	Pending	Department of Developmental Services
11.	To minimize the need for overtime, the department should reassess its minimum staffing requirements, hire a sufficient number of employees to cover these requirements, and examine its employee scheduling processes.	Pending	Department of Developmental Services
12.	To ensure that staff who work overtime are paid the correct amount, developmental center management should require all staff to submit not only overtime approvals, but also the department's standardized form showing time off and overtime hours. Additionally, the department should establish a written guide to help ensure that timekeeping staff follow the overtime provisions of the various laws, regulations, and bargaining unit agreements.	Pending	Department of Developmental Services
13.	The department should create specific measurable goals for OPS that include existing and new measures associated with each one, such as staffing, overtime, and the timely completion of investigations. In addition, the department should perform a regular review of the quality of OPS's activities and investigations to achieve those goals. The department should track progress in quality measures over time and adjust its training plans to increase OPS law enforcement personnel's skill and compliance with established policies and procedures.	Pending	Department of Developmental Services
14.	To allow for the creation of consistent performance measures and comparisons of resident abuse data across all developmental centers, the department should ensure that each of its centers consistently uses the same data fields in IRIS.	Fully Implemented	Department of Developmental Services
15.	To conduct licensing surveys at required intervals while minimizing additional workload, Public Health should explore further opportunities to coordinate the licensing and certification surveys. If Public Health questions the value of these surveys, it should seek legislation to modify the surveying requirements.	Pending	California Department of Public Health
16.	To ensure that the facilities Public Health monitors take timely corrective action on deficiencies, Public Health should comply with the Centers for Medicare & Medicaid Services' (CMS) 45-day revisit requirement. If the 45-day revisit time frame is not possible due to the extent of the corrections required at particular facilities, Public Health should seek exemptions from CMS as appropriate. For facilities whose deficiencies are not severe enough to require an on-site revisit, Public Health should direct its staff to complete desk reviews within 60 days.	Fully Implemented	California Department of Public Health

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	RECOMMENDATION	STATUS OF RECOMMENDATION	ENTITY
17.	To ensure that investigations are conducted on a timely basis across priority levels, Public Health should develop and implement target time frames for the priority levels that lack them. Public Health should ensure that the timelines are being met and, if not, explore new ways to increase efficiency and manage its workload, thereby facilitating timely investigations.	Will Not Implement	California Department of Public Health
18.	To improve its enforcement, each year Public Health should evaluate the effectiveness of its enforcement system across all types of health facilities, including those in developmental centers, prepare the required annual report, and, if called for, recommend legislation to improve the enforcement system and enhance the quality of care.	Pending	California Department of Public Health

Report Number 2013-602

New High Risk Entity: Covered California Appears Ready to Operate California's First Statewide Health Insurance Exchange, but Critical Work and Some Concerns Remain **(July 2013)**

	RECOMMENDATION	STATUS OF RECOMMENDATION	ENTITY
1.	To provide as much public transparency as possible, Covered California's board should formally adopt a policy to retain confidentiality only for contracts, contract amendments, and payment rates that are necessary to protect Covered California's interests in future contract negotiations.	Pending	Covered California
2.	To comply with federal requirements, Covered California should develop a plan and procedures for monitoring, recertification, and decertification of qualified health plans.	Pending	Covered California
3.	To ensure the success of its outreach effort, Covered California should track the effect on enrollment figures of its planned outreach and marketing activities and of its assister program.	Pending	Covered California
4.	To ensure financial sustainability, Covered California should conduct regular reviews of enrollment, costs, and revenue and make prompt adjustments to its financial sustainability plan as necessary.	Pending	Covered California

Report Number 2012-122

Mental Health Services Act: The State's Oversight Has Provided Little Assurance of the Act's Effectiveness, and Some Counties Can Improve Measurement of Their Program Performance **(August 2013)**

	RECOMMENDATION	STATUS OF RECOMMENDATION	ENTITY
1.	To ensure that it monitors counties to the fullest extent as the MHSA specifies and that it implements best practices, Health Care Services should draft and enter into a performance contract with each county that contains assurances for effective oversight and furthers the intent of the MHSA, including demonstration that each of the county's MHSA programs are meeting the MHSA's intent.	Partially Implemented	Department of Health Care Services
2.	To ensure that it monitors counties to the fullest extent as the MHSA specifies and that it implements best practices, Health Care Services should conduct comprehensive on-site reviews of county MHSA programs, including verifying county compliance with MHSA requirements.	Partially Implemented	Department of Health Care Services
3.	To ensure that counties have the needed guidance to implement and evaluate their MHSA programs, Health Care Services should coordinate with the Accountability Commission and issue guidance or regulations, as appropriate, for Facilities programs and for other MHSA requirements, such as a prudent reserve.	Partially Implemented	Department of Health Care Services
4.	To ensure that counties have the needed guidance to implement and evaluate their MHSA programs, Health Care Services should commence this regulatory process no later than January 2014.	Partially Implemented	Department of Health Care Services
5.	To ensure that counties have the needed guidance to implement and evaluate their MHSA programs, Health Care Services should collaborate with the Accountability Commission to develop and issue guidance or regulations, as appropriate, to counties on how to effectively evaluate and report on the performance of their MHSA programs.	Pending	Department of Health Care Services
6.	To ensure that Health Care Services and other state entities can evaluate MHSA programs and assist the Accountability Commission in its efforts, Health Care Services should collect complete and relevant MHSA data from the counties.	Pending	Department of Health Care Services

	RECOMMENDATION	STATUS OF RECOMMENDATION	ENTITY
7.	To ensure that Health Care Services and other state entities can evaluate MHSA programs and assist the Accountability Commission in its efforts, Health Care Services should resolve all known technical issues with the partnership and client services systems and provide adequate and expert resources to manage the systems going forward.	Partially Implemented	Department of Health Care Services
8.	Health Care Services should, as soon as is feasible, revise or create a reasonable and justifiable allocation methodology to ensure that counties are appropriately funded based on their identified needs for mental health services. Health Care Services should ensure that it reviews the methodology regularly and updates it as necessary so that the factors and their weighting are appropriate.	Partially Implemented	Department of Health Care Services
9.	To ensure that counties have needed guidance to implement and evaluate MHSA programs, the Accountability Commission should issue regulations, as appropriate, for Prevention and Innovation programs.	Partially Implemented	Mental Health Services Oversight and Accountability Commission
10.	To ensure that counties have needed guidance to implement and evaluate MHSA programs, the Accountability Commission should commence the regulatory process no later than January 2014.	Partially Implemented	Mental Health Services Oversight and Accountability Commission
11.	To fulfill its charge to evaluate MHSA programs, the Accountability Commission should undertake the evaluations specified in its implementation plan.	Partially Implemented	Mental Health Services Oversight and Accountability Commission
12.	To ensure that it can fulfill its evaluation responsibilities, the Accountability Commission should examine its prioritization of resources as it pertains to performing all necessary evaluations.	Partially Implemented	Mental Health Services Oversight and Accountability Commission
13.	To report on the progress of MHSA programs and support continuous improvement, the Accountability Commission should fully use the results of its evaluations to demonstrate to taxpayers and counties the successes and challenges of these programs.	Partially Implemented	Mental Health Services Oversight and Accountability Commission
14.	The Planning Council should take steps to ensure that it annually reviews the overall effectiveness of MHSA programs in accordance with state law.	Partially Implemented	California Mental Health Planning Council
15.	The Planning Council should document and make public the reviews that it performs of MHSA programs to demonstrate that it is performing all required reviews.	Partially Implemented	California Mental Health Planning Council
16.	To improve the quality of county processes related to measuring program performance, Health Care Services should use its performance contracts with counties to ensure that they specify MHSA program goals in their plans and annual updates and include those same goals in their contracts with program providers.	Partially Implemented	Department of Health Care Services
17.	To improve the quality of county processes related to measuring program performance, Health Care Services should use its performance contracts with counties to ensure that they identify meaningful data to measure the achievement of all their goals, set specific objectives, and require their program providers to capture those data so they can use the data to verify and report the effectiveness of their MHSA programs.	Partially Implemented	Department of Health Care Services
18.	Health Care Services should develop standardized data collection guidelines or regulations, as appropriate, that will address inconsistencies in the data that counties report to the State. In developing these guidelines or regulations, Health Care Services should consult with the Accountability Commission to ensure that data collected reasonably fulfill statewide evaluation purposes.	Pending	Department of Health Care Services
19.	To help ensure county compliance with stakeholder regulations, Health Care Services should provide technical assistance to counties on the MHSA local planning review process and ensure that its guidance to counties is clear and consistent with state regulations.	Pending	Department of Health Care Services
20.	Santa Clara County should review its existing MHSA contracts and by December 31, 2013, or as soon as is feasible, amend them as necessary to include plan goals.	Partially Implemented	Santa Clara County Mental Health Department

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	RECOMMENDATION	STATUS OF RECOMMENDATION	ENTITY
21.	Santa Clara County should ensure that all MHSA invoices are adequately supported with information that demonstrates that MHSA services were provided.	Pending	Santa Clara County Mental Health Department
22.	Sacramento County should review its existing MHSA contracts and by December 31, 2013, or as soon as is feasible, amend them as necessary to include plan goals.	Partially Implemented	County of Sacramento Department of Health and Human Services
23.	San Bernardino County should review its existing MHSA contracts and by December 31, 2013, or as soon as is feasible, amend them as necessary to include plan goals.	Partially Implemented	County of San Bernardino Department of Behavioral Health Administration

Report Number 2013-103

Armed Persons With Mental Illness: Insufficient Outreach From the Department of Justice and Poor Reporting From Superior Courts Limit the Identification of Armed Persons With Mental Illness **(October 2013)**

	RECOMMENDATION	STATUS OF RECOMMENDATION	ENTITY
19.	To ensure that all applicable information from State Hospitals is communicated to Justice, by March 31, 2014, Justice and State Hospitals should establish a written understanding of the method and frequency with which State Hospitals will report prohibited individuals to Justice.	Partially Implemented	Department of State Hospitals

Senate Budget Subcommittee 4: State Administration and General Government

Report Number 2011-504

High-Speed Rail Authority Follow-Up: Although the Authority Addressed Some of Our Prior Concerns, Its Funding Situation Has Become Increasingly Risky and the Authority's Weak Oversight Persists **(January 2012)**

	RECOMMENDATION	STATUS OF RECOMMENDATION	ENTITY
24.	To ensure that the Authority is complying with state contracting rules and is following the guidelines of the *State Contracting Manual*, General Services should conduct a procurement audit of the Authority by January 1, 2013.	Fully Implemented	Department of General Services

Report Number 2011-103

California's Mutual Aid System: The California Emergency Management Agency Should Administer the Reimbursement Process More Effectively **(January 2012)**

	RECOMMENDATION	STATUS OF RECOMMENDATION	ENTITY
1.	To make certain that emergency response agencies receive reimbursements on time, Cal EMA should establish procedures to ensure that paying entities do not delay reimbursements.	Not Fully Implemented†	Emergency Management Agency
2.	To ensure that it receives reimbursements on time, Cal EMA should identify ways to reduce the amount of time it takes to submit project worksheets to the Federal Emergency Management Agency (FEMA) and to draw down funds.	Fully Implemented	Emergency Management Agency
3.	To ensure that it receives reimbursements on time, Cal EMA should establish procedures for submitting project worksheets to FEMA and drawing down funds that reflect the time-saving measures resulting from its efforts to implement recommendation 1.2.a.	Fully Implemented	Emergency Management Agency
4.	To make certain that local agencies calculate correctly their average actual hourly rates, Cal EMA should audit a sample of invoices each year and include in the review an analysis of the accuracy of the local agencies' average actual hourly rates reported in the agencies' salary surveys.	Not Fully Implemented†	Emergency Management Agency

	RECOMMENDATION	STATUS OF RECOMMENDATION	ENTITY
5.	To make certain that local agencies calculate correctly their average actual hourly rates, if Cal EMA determines that the local agencies' rates are incorrect, it should advise the agencies to recalculate the rates reported in their salary survey. Local agencies that fail to submit accurate average actual hourly rates should be subject to the base rates.	Not Fully Implemented†	Emergency Management Agency
6.	To make certain that local agencies calculate correctly their average actual hourly rates, if Cal EMA does not believe that it has the statutory authority and resources to audit the average actual hourly rates reported in the local agencies' salary surveys, it should either undertake the necessary steps to obtain both the authority and the necessary resources or obtain statutory authority to request that the State Controller's Office perform the audits.	Resolved	Emergency Management Agency
7.	If FEMA determines that the calculations and claims identified in the Office of Inspector General's audit report were erroneous, Cal EMA should modify the time sheets to track the actual hours that the responding agency works as well as the dates and times that the agency committed to the incident and returned from the incident.	Not Fully Implemented†	Emergency Management Agency
8.	If FEMA determines that the calculations and claims identified in the Office of Inspector General's audit report were erroneous, Cal EMA should ensure that the replacement for its current invoicing system can calculate the maximum number of reimbursable personnel hours under both FEMA's policy and the California Fire Assistance Agreement.	Not Fully Implemented†	Emergency Management Agency

Report Number 2011-116.2

Department of General Services: Strengthening the Division of the State Architect's Workload Management and Performance Measurements Could Help It Avoid Delays in Processing Future Increases in Workload **(May 2012)**

	RECOMMENDATION	STATUS OF RECOMMENDATION	ENTITY
1.	To better gauge the timeliness of its plan review and better communicate with design professionals, the division should develop goals for the time spent on the plan review phase, in the style of those used by the Office of Statewide Health Planning and Development, and measure and report its success at meeting these goals.	Fully Implemented	Department of General Services
2.	In order to avoid delays in plan review, the division should develop a policy that defines when it will expedite plan review using its statutory authority to contract for additional plan review resources.	Fully Implemented	Department of General Services
3.	To more accurately report on its plan review activities to stakeholders and provide relevant information to management, the division should provide current information on its performance, by phase, at the time of the reporting period.	Fully Implemented	Department of General Services
4.	To more accurately report on its plan review activities to stakeholders and provide relevant information to management, the division should exclude zero values from its calculations related to projects that did not have activity in a particular phase.	Fully Implemented	Department of General Services
5.	To more accurately report on its plan review activities to stakeholders and provide relevant information to management, the division should exclude projects from client phase calculations that were not returned to the division for back check within the division's deadlines.	Fully Implemented	Department of General Services
6.	To appropriately oversee changes to approved plans, the division should develop policies and procedures to ensure that it receives all relevant plan changes.	Fully Implemented	Department of General Services
7.	To appropriately oversee changes to approved plans, the division should develop policies and procedures to ensure that it reviews and approves all relevant plan changes before the start of related construction.	Fully Implemented	Department of General Services
8.	To appropriately oversee changes to approved plans, the division should develop policies and procedures to ensure that it documents its approval of all relevant plan changes.	Fully Implemented	Department of General Services
9.	To ensure that the division performs a final review in all disciplines, the division should require and provide a means for recording final plan review of fire and life safety and access compliance-related work in the database.	Fully Implemented	Department of General Services
10.	To ensure that staff are current on building standards, the division should document its staff's participation in building standards update trainings by maintaining attendance rosters.	Fully Implemented	Department of General Services

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Report Number 2011-119

Physical Therapy Board of California: Although It Can Make Improvements, It Generally Processes Complaints and Monitors Conflict-of-Interest Requirements Appropriately **(June 2012)**

	RECOMMENDATION	STATUS OF RECOMMENDATION	ENTITY
1.	The physical therapy board should explore the feasibility of establishing a state position to perform the duties of its current in-house consultant at a reduced cost.	Not Fully Implemented†	Physical Therapy Board
2.	To make certain that it provides effective services to consumers, the physical therapy board should develop a means of formally evaluating its expert consultants against performance measures and benchmarks. Furthermore, the physical therapy board should conduct these evaluations regularly and document them fully.	Fully Implemented	Physical Therapy Board
3.	Consumer Affairs should establish procedures for ensuring that board members attend board member orientation and that those individuals and other designated employees receive all required ethics training. In addition, Consumer Affairs should adhere to the record retention period of five years specified by law for the certificates documenting that designated employees received ethics training.	Not Fully Implemented†	Physical Therapy Board
4.	To ensure that board members disclose in a timely manner potential conflicts of interest on their Form 700s, the physical therapy board should notify Consumer Affairs' filing officer promptly when board members are appointed or when they indicate that they intend to leave office.	Fully Implemented	Physical Therapy Board

Report Number 2011-131

City of Vernon: Although Reform Is Ongoing, Past Poor Decision Making Threatens Its Financial Stability **(June 2012)**

	RECOMMENDATION	STATUS OF RECOMMENDATION	ENTITY
1.	To increase accountability and transparency in its governance, the city should ensure that specific reforms are appropriately implemented. Specifically, it should develop an implementation plan containing sufficient detail to establish the activities and coordination required to successfully implement an alternative new employment system so that its nonunion employees are no longer at-will employees of the city council.	Fully Implemented	City of Vernon
2.	To increase accountability and transparency in its governance, the city should determine whether it will continue to own housing and communicate its decision to the public as soon as appropriate. Should the city decide to retain ownership of the housing, it should continue the effort to develop policies and procedures that are necessary to ensure fairness and impartiality in its management of city-owned housing.	Fully Implemented	City of Vernon
3.	To increase accountability and transparency in its governance, the city should continue the effort to develop a comprehensive plan to construct additional housing in the city.	Fully Implemented	City of Vernon
4.	To increase accountability and transparency in its governance, the city should develop a formal policy that describes the circumstances under which revenues can be transferred from its power department, and the limits and permissible uses of transferred revenue.	No Action Taken	City of Vernon
5.	To ensure that it develops complete and appropriate personnel policies and procedures, the city should continue its efforts to hire an experienced human resources director.	Fully Implemented	City of Vernon
6.	To ensure that it develops complete and appropriate personnel policies and procedures, the new human resources director should ensure that the city's policies and procedures include, at a minimum, requirements for performing and documenting the analyses and justifications for appointments, including promotions, to management positions.	Partially Implemented	City of Vernon
7.	To ensure that it develops complete and appropriate personnel policies and procedures, the new human resources director should ensure that the city's policies and procedures include, at a minimum, requirements for minimum qualifications, desirable qualifications, and job duties for all city executive positions.	Partially Implemented	City of Vernon
8.	To ensure that it develops complete and appropriate personnel policies and procedures, the new human resources director should ensure that the city's policies and procedures include, at a minimum, a periodic appraisal process for executives.	Partially Implemented	City of Vernon
9.	To ensure that it develops complete and appropriate personnel policies and procedures, the new human resources director should ensure that the city's policies and procedures include, at a minimum, an improved methodology for and analysis of future salary surveys, ensuring that they are performed by staff or a consultant with experience and expertise in the area of salary surveys.	Partially Implemented	City of Vernon

	RECOMMENDATION	STATUS OF RECOMMENDATION	ENTITY
10.	The city should determine whether employees have a vested right to longevity payments and whether it can legally reduce or discontinue the original longevity program as a means to reduce its costs.	Partially Implemented	City of Vernon
11.	To ensure accurate reporting and payment of retirement benefits, the city should work with the California Public Employees' Retirement System (CalPERS) to resolve the reported findings and observation noted in CalPERS April 2012 audit report within a reasonable period of time.	Partially Implemented	City of Vernon
12.	To better control contract expenditures and ensure that it receives the best value for the services it purchases, the city should require that all city contracts be entered into its enterprise resource planning (ERP) system so that the contract managers and the city can more efficiently and effectively track the city's contract expenditures.	Fully Implemented	City of Vernon
13.	To better control contract expenditures and ensure that it receives the best value for the services it purchases, the city should also begin using the ERP system's uniquely assigned contract numbers for tracking and generating a list of contracts.	Fully Implemented	City of Vernon
14.	To better control contract expenditures and ensure that it receives the best value for the services it purchases, the city should require all contracts to have expenditure limits and starting and ending dates for services performed.	Fully Implemented	City of Vernon
15.	To better control contract expenditures and ensure that it receives the best value for the services it purchases, the city should require contract managers to use logs to monitor payments and the contractor's progress toward completion of required deliverables.	Fully Implemented	City of Vernon
16.	To better control contract expenditures and ensure that it receives the best value for the services it purchases, the city should require that all contracts contain a well-defined scope of work and deliverables that a sufficiently detailed invoice can be measured against.	Partially Implemented	City of Vernon
17.	To better control contract expenditures and ensure that it receives the best value for the services it purchases, the city should ensure that contracts include language requiring contractors to provide invoices with sufficient detail so that contract managers can determine whether the services provided are consistent with the scope of work.	Fully Implemented	City of Vernon
18.	To better control contract expenditures and ensure that it receives the best value for the services it purchases, the city should also require the finance department to review invoices to identify those that lack sufficient detail and return such invoices to the appropriate contract manager to obtain a revised invoice that is sufficiently detailed.	Partially Implemented	City of Vernon
19.	To better control contract expenditures and ensure that it receives the best value for the services it purchases, the city should continue its efforts to develop and implement policies and procedures for a competitive bidding process, including clearly defining the circumstances under which forgoing competitive bidding is appropriate.	Fully Implemented	City of Vernon
20.	To the extent that the city implements policies that affect contracts, the city should also ensure that it reviews all current contracts and amends them, if necessary, to comply with newly established policies.	Partially Implemented	City of Vernon
21.	To improve its internal controls, better control costs, and prevent abuse from occurring, the city should require the finance department to review credit card expenditures for appropriateness.	No Action Taken	City of Vernon
22.	To improve its internal controls, better control costs, and prevent abuse from occurring, the city should revise its travel and expense reimbursement policy to be clear about the expenditure limits for meals, and add a limit for lodging accommodations.	No Action Taken	City of Vernon
23.	To comply with the Political Reform Act (reform act), the city should ensure that the city administrator and city clerk are appropriately trained to administer its conflict-of-interest code (conflict code).	Fully Implemented	City of Vernon
24.	To comply with the reform act, the city should continue to ensure that all city executives file statements of economic interests, as its conflict code requires.	Fully Implemented	City of Vernon
25.	To comply with the reform act, with regard to consultants, the city should review its existing contracts and have the city administrator determine which consultants should file statements of economic interests. The city should retain documentation of the city administrator's determinations and also forward them to the city council for review.	Fully Implemented	City of Vernon
26.	To comply with the reform act, the city should ensure that any consultants identified by the city administrator as needing to file statements of economic interests submit the forms as soon as possible.	Fully Implemented	City of Vernon

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	RECOMMENDATION	STATUS OF RECOMMENDATION	ENTITY
27.	To address the structural deficit in its general fund, the city should seek long-term solutions to balance the general fund's expenditures and revenues and lessen its reliance on transfers from other city funds. These solutions could include revenue increases, such as the proposed increased and new parcel tax, as well as looking for ways to reduce expenditures.	Partially Implemented	City of Vernon
28.	The city should clearly present the general fund structural deficit to the city council and the public in a budget that includes narrative and summary information to help users understand the city's budget process and its priorities and challenges, and that incorporates the elements for improved budgeting practices recommended by the Government Finance Officers Association (GFOA).	Partially Implemented	City of Vernon
29.	To better guide its budget preparation and improve transparency, the city should develop budget policies, particularly for long-term planning, that incorporate the elements that the GFOA recommends and make these policies available to the public on its Web site.	No Action Taken	City of Vernon
30.	The city should ensure that its budgets include the information required in the city code.	Fully Implemented	City of Vernon
31.	The city should improve the monitoring of expenditures against the approved budget by establishing a centralized process to regularly monitor and report to the city administrator and the city council on the status of the budget.	Partially Implemented	City of Vernon
32.	To ensure that it issues debt when doing so is in the best interests of the city and is consistent with its long-term financial goals, the city should establish a comprehensive debt policy that includes the elements that the GFOA recommends and make the debt policy it establishes available on its Web site.	No Action Taken	City of Vernon
33.	To ensure that the city council and public are well informed regarding proposed debt decisions, the city should provide summary information that clearly explains the costs, risks, and benefits related to the proposed decisions in its agenda packets, and should provide these in advance on its Web site.	Pending	City of Vernon
34.	To ensure that it can demonstrate sufficient analysis and provide justification for its decisions on significant energy-related transactions, the city should develop an integrated energy strategy that examines all elements of its energy needs, sources, and objectives.	No Action Taken	City of Vernon
35.	To ensure that it can demonstrate sufficient analysis and provide justification for its decisions on significant energy-related transactions, the city should create a formal process and guidelines that include the following: identifying the benefits and risks of proposed transactions, quantifying the benefits and risks of proposed transactions, evaluating and comparing proposed transactions against alternative proposals, quantifying the impact of proposed transactions on short-term and long-term rates paid by the city's energy customers, seeking an independent validation of the fair market value of proposed transactions, and documenting and communicating the findings of the evaluation process to the city council.	No Action Taken	City of Vernon
36.	If the city plans to continue to rely on the advice of its consultants when entering significant energy-related transactions, it should develop a process for the consultants to provide written documentation that would enable the city to satisfy the process and guidelines outlined in the previous two recommendations.	Partially Implemented	City of Vernon
37.	To minimize the continuing financial losses on the two currently outstanding interest rate swaps, the city should develop a clear process for deciding how it will terminate these swaps based on the cost and future risk to the city.	Partially Implemented	City of Vernon
38.	To ensure that any future decisions to enter into interest rate swaps are carefully considered, the city should develop and follow a process that thoroughly analyzes the risks and benefits of the potential swap transaction.	Partially Implemented	City of Vernon
39.	To ensure that any future decisions to enter into interest rate swaps are carefully considered, the city should specifically disallow the use of derivatives for speculative purposes and should require the retention of the documents and analyses that support the decision to enter into the swap.	Pending	City of Vernon

Report Number 2012-042

Children's Hospital Program: Fund Disbursements Are Appropriate, but Estimates of Cash Needs Have Been Consistently High **(July 2012)**

	RECOMMENDATION	STATUS OF RECOMMENDATION	ENTITY
1.	To avoid contributing to the State's financial strain, the authority should limit future bond sales to the level of disbursements it reasonably expects to make during the following six-month period.	Fully Implemented	California Health Facilities Financing Authority

	RECOMMENDATION	STATUS OF RECOMMENDATION	ENTITY
2.	The authority should reduce its current cash balance by continuing to make disbursements to hospitals while refraining from requesting additional bond sales. If the authority believes it needs to retain a portion of its cash balance as a contingency reserve for unforeseen circumstances, it should perform and document an analysis demonstrating the appropriateness of the reserve level it adopts.	Fully Implemented	California Health Facilities Financing Authority
3.	To allow for more accurate planning of upcoming cash needs, the authority should refine its cash-projection process to more accurately reflect its near-term cash needs. Specifically, the authority should refrain from requesting additional bond sales for projects that have not yet received project approval from the authority.	Fully Implemented	California Health Facilities Financing Authority
4.	For hospitals with existing projects, the authority should request written confirmation from hospitals that detail when the hospitals will submit disbursal requests for approved funds.	Fully Implemented	California Health Facilities Financing Authority

Report Number 2011-120

California Department of Transportation: Its Poor Management of State Route 710 Extension Project Properties Costs the State Millions of Dollars Annually, Yet State Law Limits the Potential Income From Selling the Properties **(August 2012)**

	RECOMMENDATION	STATUS OF RECOMMENDATION	ENTITY
19.	To ensure that it appropriately executes interagency agreements with other state agencies, General Services should provide training to construction unit staff.	Fully Implemented	Department of General Services
25.	To ensure that it charges its clients appropriately for the work it performs, General Services should reassess the construction unit's methodologies for determining the hourly burden rate and direct administration fees.	Fully Implemented	Department of General Services
26.	To ensure that it charges its clients appropriately for the work it performs, General Services should ensure that the construction unit's methodologies are sound and that it can properly support them.	Fully Implemented	Department of General Services
27.	To determine if the construction unit's use of casual laborers to perform work not in their job specifications, such as procurement, is cost-effective, General Services should perform an analysis comparing the cost of paying the casual laborers at the prevailing wage rate and the cost of paying permanent civil service employees. If it finds that using permanent employees is cost-effective for the State, General Services should seek approval for additional permanent employees to perform those functions.	Fully Implemented	Department of General Services
28.	To ensure that the casual laborers charge only for their actual hours worked on projects, General Services should require that the civil service supervisor who has knowledge of the time the casual laborer works approve the casual laborer's daily time report and the Activity Based Management System time charges.	Fully Implemented	Department of General Services
29.	To ensure that the casual laborers charge only for their actual hours worked on projects, General Services should ensure that the daily time reports for casual laborers contain the appropriate task codes, the laborer's signature, and the approval of a civil service supervisor.	Fully Implemented	Department of General Services
30.	To ensure that the casual laborers charge only for their actual hours worked on projects, General Services should update its construction unit manual to formalize its standard practice of using daily job reports for each project.	Fully Implemented	Department of General Services
31.	To ensure that the casual laborers charge only for their actual hours worked on projects, General Services should retain the daily job reports and the daily time reports in the project files.	Fully Implemented	Department of General Services
32.	To ensure that it complies with its nepotism policy, General Services should have its office of human resources review and approve its existing temporary authorization appointments for casual laborers. If the office of human resources finds that personal relationships exist, General Services should take appropriate action in accordance with its policy.	Fully Implemented	Department of General Services
33.	To ensure that the construction unit complies with the State's procurement laws and policies, General Services should require the construction unit to immediately discontinue its current procurement practices that are inconsistent with the State's procurement laws and policies.	Fully Implemented	Department of General Services
34.	To ensure that the construction unit complies with the State's procurement laws and policies, General Services should require the construction unit to modify the procurement section of its manual to conform to the State's procurement laws and policies.	Resolved	Department of General Services

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	RECOMMENDATION	STATUS OF RECOMMENDATION	ENTITY
35.	To ensure that the construction unit complies with the State's procurement laws and policies, General Services should provide training to its construction unit employees regarding the State's procurement laws and policies.	Resolved	Department of General Services
36.	To ensure that the construction unit complies with the State's procurement laws and policies, General Services should clarify the waiver process in the administrative order governing the small business participation goal.	Not Fully Implemented†	Department of General Services
37.	To ensure that the construction unit complies with the State's procurement laws and policies, General Services should continue its efforts to implement regulations that govern the small business certification process related to defining and enforcing violations of commercially useful function requirements.	Not Fully Implemented†	Department of General Services
38.	To ensure that the construction unit complies with the State's procurement laws and policies, General Services should conduct an investigation of the small businesses we discussed in the report to determine if they are performing a commercially useful function.	Fully Implemented	Department of General Services

Report Number 2012-106

City of San José: Some Retirement Cost Projections Were Unsupported Although Rising Retirement Costs Have Led to Reduced City Services **(August 2012)**

	RECOMMENDATION	STATUS OF RECOMMENDATION	ENTITY
1.	To ensure that stakeholders receive consistent and reliable information, San José should report the official retirement cost projections that were developed using the assumptions approved by the boards of the two retirement plans. If San José does not use the official retirement cost projections, it should develop projections that are supported by accepted actuarial methodologies, report this information in the correct context, and disclose significant assumptions that differ from those in the boards' retirement cost projections.	Fully Implemented	City of San José

Report Number 2011-118/2011-613

Conduit Bond Issuers: Issuers Complied With Key Bond Requirements, but Two Joint Powers Authorities' Compensation Models Raise Conflict-of-Interest Concerns **(August 2012)**

	RECOMMENDATION	STATUS OF RECOMMENDATION	ENTITY
1.	The FPPC should adopt regulations that clarify whether the analysis in the McEwen advice letter is intended to apply to the factual circumstances presented in this audit.	Fully Implemented	Fair Political Practices Commission
2.	To be better informed about the compensation of their consultants, including any potential conflicts of interest, California Communities and Municipal Finance should require the consulting firms that staff their organizations to disclose the amount and structure of compensation provided to individual consultants, including disclosing whether any of this compensation is tied to the volume of bond sales.	Will Not Implement	California Statewide Communities Development Authority
3.	To be better informed about the compensation of their consultants, including any potential conflicts of interest, California Communities and Municipal Finance should require the consulting firms that staff their organizations to disclose the amount and structure of compensation provided to individual consultants, including disclosing whether any of this compensation is tied to the volume of bond sales.	Fully Implemented	California Municipal Finance Authority
4.	In implementing its January 2012 contracting policy, California Communities should either periodically subject existing contracts to competitive bidding or perform some other price comparison analysis to ensure that the public funds it oversees are used effectively.	Not Fully Implemented†	California Statewide Communities Development Authority
5.	Municipal Finance should follow its July 2012 policy that describes how it will select contractors and periodically review existing contractors' services and prices to ensure the public funds it oversees are used effectively.	Fully Implemented	California Municipal Finance Authority

	RECOMMENDATION	STATUS OF RECOMMENDATION	ENTITY
6.	As suggested by the Government Finance Officers Association (GFOA) guidance, California Communities and Municipal Finance should include provisions in their contracts prohibiting consultants from engaging in activities on behalf of the issuers that produce a direct or indirect financial gain to the consultants, other than the agreed-upon compensation, without the issuer's informed consent.	Fully Implemented	California Statewide Communities Development Authority
7.	As suggested by the GFOA guidance, California Communities and Municipal Finance should include provisions in their contracts prohibiting consultants from engaging in activities on behalf of the issuers that produce a direct or indirect financial gain to the consultants, other than the agreed-upon compensation, without the issuer's informed consent.	Fully Implemented	California Municipal Finance Authority
8.	Once the Securities and Exchange Commission (SEC) finalizes its definition of municipal advisor, California Communities should have its legal counsel review whether HB Capital should register with the Municipal Securities Rulemaking Board.	Not Fully Implemented†	California Statewide Communities Development Authority
9.	To provide more accessible venues for citizens to understand the financing of projects and to voice their opinions, the Health Financing Authority should either hold local approval hearings in each jurisdiction in which a project will be built or create a cost-effective technological solution (streaming video, teleconference, etc.) to provide more public accessibility.	Fully Implemented	California Health Facilities Financing Authority

Report Number 2012-037

Department of Housing and Community Development: Awards of Housing Bond Funds Are Appropriate, but Cash Balances Are High and Monitoring Continues to Need Improvement **(October 2012)**

	RECOMMENDATION	STATUS OF RECOMMENDATION	ENTITY
3.	Going forward, to the extent that Finance or HCD believes the State needs to issue bonds in excess of cash needs, it should document an analysis demonstrating the appropriateness of the bond sale amount and the circumstances.	Fully Implemented	Department of Finance
1.	To ensure that it does not exceed the maximum amount specified in state law for administrative costs for the BEGIN Program, HCD should continue to reevaluate, as appropriate, its administrative support costs projection and continue to monitor its future costs.	Fully Implemented	Department of Housing and Community Development
2.	Going forward, to the extent that Finance or HCD believes the State needs to issue bonds in excess of cash needs, it should document an analysis demonstrating the appropriateness of the bond sale amount and the circumstances.	Fully Implemented	Department of Housing and Community Development
4.	HCD should continue its efforts to monitor sponsors that receive awards of housing bond funds by requiring staff to follow its procedures related to centrally tracking advances to sponsors under the CalHome Program.	Fully Implemented	Department of Housing and Community Development
5.	HCD should continue its efforts to monitor sponsors that receive awards of housing bond funds by ensuring that it receives, reviews, and centrally tracks required status reports from sponsors under its CalHome and BEGIN programs.	Fully Implemented	Department of Housing and Community Development
6.	HCD should continue its efforts to monitor sponsors that receive awards of housing bond funds by, upon finalizing monitoring procedures for the BEGIN Program, ensuring that staff implement and follow them.	Fully Implemented	Department of Housing and Community Development
7.	As it relates to selecting which sponsors to monitor, HCD should continue its efforts to monitor sponsors that receive awards of housing bond funds by adopting a risk-based, on-site monitoring approach for its CalHome and BEGIN programs. For the CalHome Program, HCD should evaluate the criteria in its risk assessment tool and require staff to use a centralized tracking log for on-site monitoring visits, which should indicate when findings are resolved.	Fully Implemented	Department of Housing and Community Development

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Report Number I2012-1

Investigations of Improper Activities by State Agencies and Employees: Bribery, Conspiracy to Commit Mail Fraud, Improper Overtime Payments, Improper Use of Lease Proceeds, Improper Travel Expenses, and Other Violations of State Law **(December 2012)**

	RECOMMENDATION	STATUS OF RECOMMENDATION	ENTITY
15.	The athletic commission immediately should cease paying the 18 athletic inspectors discussed in the report an overtime rate for work they perform and inform all athletic inspectors that it will compensate them at the classification's straight-time rate unless their work meets the criteria for receiving overtime under the Fair Labor Standards Act of 1938.	Fully Implemented	State Athletic Commission
16.	The athletic commission should make greater efforts to broaden its hiring and increase the number of applicants who are not full-time state employees by posting hiring announcements at locations where the athletic commission has a presence, such as gyms and venues at which it holds events.	Fully Implemented	State Athletic Commission

Report Number 2012-121.1

Department of Parks and Recreation: Weak Procedures Have Led to Inconsistent Budgetary Reporting and Difficulties in Measuring the Impact of Efforts to Keep Parks Open **(February 2013)**

	RECOMMENDATION	STATUS OF RECOMMENDATION	ENTITY
3.	To ensure transparency and accurate reporting, in those instances when Finance believes it is necessary to adjust amounts that departments have reported for presentation in the governor's budget, causing them to be different from the amounts reported to the State Controller, Finance should develop a policy and procedures to fully disclose the need for the adjustments it makes, including a reconciliation to the amounts reported by the State Controller.	Fully Implemented	Department of Finance
6.	Finance should establish a documented process for ensuring that its staff demonstrate that they have verified that departments completed budget documents correctly. For example, Finance could establish a checklist that its staff complete to communicate that they followed specified procedures to ensure the accuracy of amounts reported by departments.	Partially Implemented	Department of Finance

Report Number 2012-117

State Athletic Commission: Its Ongoing Administrative Struggles Call Its Future Into Question **(March 2013)**

	RECOMMENDATION	STATUS OF RECOMMENDATION	ENTITY
1.	To increase transparency and to ensure that commissioners provide a sufficient level of oversight over the commission's operations and budget process, the executive officer should work with the commissioners to establish written policies and procedures that delineate the executive officer's responsibilities related to communicating with the commissioners.	Fully Implemented	State Athletic Commission
2.	To ensure its future financial stability, the commission should work with Consumer Affairs to establish a long-term financial plan that contains the following: • A reasonable annual budget with an accurate forecast of planned expenditures. The commission should determine this budget based in part on its ability or inability to meet the expenditure limitations stipulated in the solvency plan. • The number of inspectors necessary to regulate each type of event. In establishing this number, the commission should take into account the varying size and complexity of the events. It should also determine the cost for each inspector to regulate an event. • An estimate of its costs to regulate different types of events. To arrive at a reasonable estimate, the commission will need to track at least six months of actual expenditures. • The number of staff necessary to perform all of the commission's necessary functions. The commission will need to conduct a workload analysis as soon as possible to determine how many staff it requires and adjust its planned expenditures accordingly. • Funds for athletic inspectors' training that are sufficient to meet the requirement that inspectors receive training within six months of an event that they are scheduled to work. • Strategies to increase revenue. The commission may need to conduct analyses to determine whether the opportunities it is currently considering are legally permissible and fiscally prudent. If so, the commission should take steps to implement those strategies, including seeking any necessary legislative changes.	Partially Implemented	State Athletic Commission

	RECOMMENDATION	STATUS OF RECOMMENDATION	ENTITY
3.	The commission should establish a formal policy to ensure that it assigns inspectors to events based primarily on their proximity to the events.	Fully Implemented	State Athletic Commission
4.	To ensure that it adequately tracks critical information related to its basic functions and mission, the commission should develop and implement procedures and written guidelines to ensure that it consistently tracks information related to all events and their associated revenues and expenditures. These guidelines should also ensure that it tracks the inspectors it assigns to events and the athletes it licenses.	Fully Implemented	State Athletic Commission
5.	To ensure that it adequately tracks critical information related to its basic functions and mission, the commission should, once it has developed a reliable listing of the events it regulates, conduct an analysis to determine the manner in which events affect its financial condition. For example, the commission could compile the expenditures related to each event, including inspectors' wages and travel, and compare its expenditures to the revenue it received. Although the commission may need to regulate small events to ensure that it meets its responsibilities, it should still consider the cost of doing so in order to ensure that it stays within its spending authority.	Fully Implemented	State Athletic Commission
6.	To ensure that it adequately tracks critical information related to its basic functions and mission, the commission should ensure that its system for tracking the number of events, the inspectors it assigns to events, and its revenues and expenditures is compatible with the online program Consumer Affairs is developing so that it may easily import this information into the new program when it is complete.	Pending	State Athletic Commission
7.	To ensure that it adequately tracks critical information related to its basic functions and mission, the commission should work with Consumer Affairs to ensure that the new online program will meet its needs and requirements. Once the program is in place, the commission should use it as its central means for tracking its operations.	Pending	State Athletic Commission
8.	To ensure that it accurately collects revenue, the commission should formalize policies and procedures directing inspectors to take the necessary steps to make sure they correctly and consistently calculate taxes, assessments, and fees in accordance with state law and regulations.	Partially Implemented	State Athletic Commission
9.	To ensure that it accurately collects revenue, the commission should calculate the pension assessment by counting all the complimentary tickets issued, except for working complimentary tickets, not merely the complimentary tickets that are redeemed. If the commission does not agree that it should calculate the pension assessment by counting all the complimentary tickets issued, it should seek a change in its regulations to calculate the fee based only on the number of complimentary tickets redeemed.	Pending	State Athletic Commission
10.	To ensure that it accurately collects revenue, the commission should seek legislation, with the assistance of Consumer Affairs, that requires promoters to submit their broadcast contracts and authorizes the commission to impose penalties on those promoters who refuse to submit these contracts. Once the commission has received a sufficient number of broadcast contracts, it needs to conduct an analysis to determine whether the maximum fee of $25,000 on broadcast contracts is appropriate in light of the amounts of the contracts or whether the fee structure should be increased through a change in state law.	Resolved	State Athletic Commission
11.	To ensure that it accurately collects revenue, the commission should continue its efforts to ensure that promoters, inspectors, and staff are aware of their responsibilities related to the accurate reporting of box office information and the submission of key documents that substantiate the reported information.	Fully Implemented	State Athletic Commission
12.	To ensure that it accurately collects revenue, the commission should take steps to ensure that promoters adhere to its new process of certifying in writing that the information they provide is complete and accurate.	Fully Implemented	State Athletic Commission
13.	To ensure that it accurately collects revenue, the commission should adhere to its regulations by establishing a process for approving ticket printers and maintain a list of those it has approved.	Fully Implemented	State Athletic Commission
14.	To correct the deficiencies in its processing of revenue, the commission should continue to ensure the appropriate separation of duties. In addition, the commission should continue to require staff to track revenues received from events and reconcile those amounts to the events' box office reports.	Fully Implemented	State Athletic Commission
15.	To ensure that designated employees and officers disclose potential conflicts of interest on their statements of economic interests as the law requires, the commission should notify Consumer Affairs' filing officer promptly when these employees or officers assume or leave office.	Fully Implemented	State Athletic Commission

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	RECOMMENDATION	STATUS OF RECOMMENDATION	ENTITY
16.	To ensure that all designated parties complete statements of economic interests as the law requires, Consumer Affairs should improve its policies and procedures to ensure that it identifies any incomplete statements and promptly notifies the Fair Political Practices Commission when necessary.	Pending	Consumer Affairs, Department of
17.	To ensure that it maintains adequate documentation to demonstrate that it has regulated events in accordance with state law, the commission needs to update its policies and procedures to ensure that inspectors prepare and submit key documents after events.	Fully Implemented	State Athletic Commission
18.	To ensure that inspectors receive training as state law requires, the commission should conduct trainings every six months, or within six months of an event at which inspectors are scheduled to work.	Fully Implemented	State Athletic Commission
19.	To ensure that inspectors receive training as state law requires, the commission should formalize a process to track inspectors' training status.	Fully Implemented	State Athletic Commission
20.	To ensure that inspectors receive training as state law requires, the commission should continue to evaluate more cost-effective ways of providing training.	Fully Implemented	State Athletic Commission
21.	To ensure that it uses the neurological account as the Legislature intended, the commission needs to conduct a thorough analysis that identifies the average cost of neurological examinations and the number of athletes whom it licenses. If, after performing such an analysis, the commission determines that it cannot comply with the law as it is currently written, it needs to work with Consumer Affairs' legal counsel and the Legislature to determine a reasonable alternative use of the neurological account.	Fully Implemented	State Athletic Commission
22.	The commission needs to establish regulations that describe its process for determining its ticket assessment for the neurological account so that it avoids the use of underground regulations.	Pending	State Athletic Commission
23.	To operate the pension plan effectively and maximize boxers' benefits, the commission should create policies and procedures for its administration to ensure that it continues to take action to locate eligible boxers, such as issuing periodic press releases.	Fully Implemented	State Athletic Commission
24.	To operate the pension plan effectively and maximize boxers' benefits, the commission should create policies and procedures for its administration to ensure that it establishes a formal process that will enable it to better track boxers' mailing addresses.	Fully Implemented	State Athletic Commission
25.	To operate the pension plan effectively and maximize boxers' benefits, the commission should create policies and procedures for its administration to ensure that it transfers funds on a regular basis from the pension fund's state account into its investment account.	Pending	State Athletic Commission
26.	To comply with state law governing the pension plan, the commission needs to limit its expenditures for administering the pension plan to 20 percent of the average of the prior two years' contributions to the plan.	Fully Implemented	State Athletic Commission
27.	To comply with state law governing the pension plan, the commission needs to discontinue paying the pension plan's administrative costs from its athletic commission fund. It should ensure that it pays those costs only from the pension fund.	Fully Implemented	State Athletic Commission
28.	To comply with state law governing the pension plan, the commission needs to, after it has an accurate and complete listing of all licensed athletes and box office information by event type, conduct the analysis to determine the feasibility of expanding the pension plan to cover all athletes and report the results to the Legislature.	No Action Taken	State Athletic Commission
29.	To ensure that it promptly addresses the report's findings, the commission should work with Consumer Affairs to develop an action plan to prioritize and resolve its most significant deficiencies within a specified time frame. At the very least, the commission should commit to the following within one year: • Establishing policies and procedures that clearly delineate the roles and responsibilities of the commissioners, the executive officer, and commission staff in the commission's administrative processes, such as developing and approving its budget. • Developing a long-term financial plan based on its actual event revenues and expenditures that includes practical cost-cutting and revenue-enhancing strategies. • Setting up systems to track key information, including revenues, expenditures, events, inspectors, and licensees. • Formalizing administrative policies, procedures, and controls that relate to revenue collection, revenue processing, and separation of duties.	Pending	State Athletic Commission

Report Number 2012-110

Special Interest License Plate Funds: The State Has Foregone Certain Revenues Related to Special Interest License Plates and Some Expenditures Were Unallowable or Unsupported **(April 2013)**

	RECOMMENDATION	STATUS OF RECOMMENDATION	ENTITY
6.	To the extent that it continues to expend money from the antiterrorism fund through contracts, Cal EMA should properly monitor its contracts to ensure compliance with their terms.	Fully Implemented	Emergency Management Agency
7.	To the extent that it continues to expend money from the antiterrorism funds through contracts, Cal EMA should ensure that the expenses contractors claim comply with the contracts' terms, including the allowability of the expenses. For example, it should obtain adequate support for invoices contractors submit before issuing payment to ensure that the contractor has performed the work as expected and that the amount claimed is sufficiently supported.	Fully Implemented	Emergency Management Agency
9.	To make certain that money from the special plate funds pay only for allowable and supportable activities, Cal EMA should monitor the administrative expenses it charges to the antiterrorism fund and work with Finance to ensure that these expenses, coupled with additional administrative costs Finance charges, do not exceed 5 percent of the money from the antiterrorism fund appropriated to it during each fiscal year.	Resolved	Emergency Management Agency
10.	To make certain that money from the special plate funds pay only for allowable and supportable activities, Cal EMA should ensure that it only allows grantees to claim expenses for activities directly related to fighting terrorism and not for ancillary services.	Partially Implemented	Emergency Management Agency
11.	To make certain that money from the special plate funds pay only for allowable and supportable activities, Cal EMA should maintain documentation to support its charges to the antiterrorism fund. For example, it should ensure that employees submit signed time reports to support the time they spend on antiterrorism-related activities.	Partially Implemented	Emergency Management Agency
17.	To demonstrate that all participants in the scholarship program are eligible to participate, Victim Compensation should establish and document the eligibility of the three participants for whom it currently lacks such documentation.	Resolved	California Victim Compensation and Government Claims Board

Report Number 2012-109

City of San Diego: Although It Generally Followed Requirements for Reviewing Permits, It Could Do More to Protect Historical Resources and to Notify the Public Properly About Its Actions **(April 2013)**

	RECOMMENDATION	STATUS OF RECOMMENDATION	ENTITY
1.	To ensure that it properly identifies potential historical resources for the structures on project sites and conducts reviews in accordance with the municipal code, Development Services should require applicants to submit documentation, such as the county's property records when available, with their applications or it should obtain the information directly from the county so that it can determine whether the project requires a historical resource review.	Fully Implemented	City of San Diego Mayor's Office
2.	To comply with the municipal code requirements for construction permits such as building permits, Development Services should align Information Bulletin 118, issued in June 2011, which describes its process for construction changes to approved plans, with the municipal code requirements for issuing permits and conducting historical resource reviews.	Partially Implemented	City of San Diego Mayor's Office
3.	To provide the public proper notice of San Diego's decision that a project is exempt from CEQA, Development Services should ensure that the exemption notice includes the information outlined in the CEQA guidelines.	Partially Implemented	City of San Diego Mayor's Office
4.	To provide the public proper notice of San Diego's decision that a project is exempt from CEQA, Development Services should submit exemption notices to the county within five business days after the date all rights to appeal its decision have elapsed, in accordance with its procedures.	Pending	City of San Diego Mayor's Office
5.	To provide the public proper notice of San Diego's decision that a project is exempt from CEQA, Development Services should retain documentation demonstrating that it posts the appeal notices in accordance with the municipal code.	Pending	City of San Diego Mayor's Office

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	RECOMMENDATION	STATUS OF RECOMMENDATION	ENTITY
6.	To provide the public proper notice of San Diego's environmental determinations within five days of the final approval of a project in accordance with the CEQA guidelines, Development Services should develop procedures to ensure that its staff file the determination notices in a timely manner. For example, to avoid delays, Development Services should require its staff to collect and submit to the county the filing fee for each determination notice within five business days of the final approval of a project.	Pending	City of San Diego Mayor's Office
7.	To provide the public proper notice of San Diego's environmental determinations in accordance with its municipal code, Development Services should seek an amendment to the municipal code to clarify its belief that environmental determinations made by a hearing officer are not subject to the appeal notice requirement. In the interim, Development Services should post appeal notices for projects subject to permit review Process Three.	Partially Implemented	City of San Diego Mayor's Office
8.	To ensure that its designated employees disclose their financial interests in a timely manner, Development Services should ensure that its filing liaisons and payroll staff develop and implement procedures for notifying the filing liaisons when designated employees assume or leave their positions.	Fully Implemented	City of San Diego Mayor's Office
9.	To ensure that its designated employees disclose their financial interests in a timely manner, Development Services should ensure that the filing liaisons promptly notify the city clerk when designated employees assume or leave their positions.	Fully Implemented	City of San Diego Mayor's Office
10.	To ensure that San Diego's unclassified employees attend ethics training as required by the city council, the commission should either follow the city council's policy or seek a change to align the policy with its current practice.	Fully Implemented	City of San Diego Ethics Commission

Report Number 2012-119

California Department of Veterans Affairs: It Has Initiated Plans to Serve Veterans Better and More Cost-Efficiently, but Further Improvements Are Needed **(May 2013)**

	RECOMMENDATION	STATUS OF RECOMMENDATION	ENTITY
1.	To ensure that it maximizes its ability to generate revenue at all the veterans homes and better cover the costs of providing care to its members, CalVet should continue to implement standardized policies and procedures throughout the veterans homes to increase revenue, including its policies and procedures for identifying and enrolling eligible members into federal, state, and private insurance programs, such as the Medicare and Medi-Cal programs.	Pending	Department of Veterans Affairs
2.	To ensure that it maximizes its ability to generate revenue at all the veterans homes and better cover the costs of providing care to its members, CalVet should analyze its cost-recovery model, including an evaluation of the state laws that limit the amount of revenue that CalVet can collect for the care it provides to its members at the veterans homes.	Pending	Department of Veterans Affairs
3.	To better ensure that the veterans homes are providing quality care as cost-efficiently as possible, CalVet should continue monitoring the nurse-to-member ratios in the homes and work with the homes as necessary to help them meet the targeted ratios.	Fully Implemented	Department of Veterans Affairs
4.	CalVet should provide similar oversight to the veterans homes in implementing the standardized staffing model, once it is finalized.	Partially Implemented	Department of Veterans Affairs
5.	To better utilize unused space at the veterans homes, and to serve more veterans within legal restrictions, CalVet should use the information in the Yountville veterans home master plan to develop a plan for using unused space at that home to generate revenue and/or serve more veterans.	Pending	Department of Veterans Affairs
6.	To better utilize unused space at the veterans homes, and to serve more veterans within legal restrictions, CalVet should develop and implement procedures for periodically evaluating all of the veterans homes to identify opportunities to enhance use of unused space and increase revenue generation, including documenting the results of its evaluations.	Pending	Department of Veterans Affairs
7.	To better utilize unused space at the veterans homes, and to serve more veterans within legal restrictions, CalVet should develop a formal process for identifying, securing, and evaluating public-private partnership agreements with other entities that could provide services to more veterans than it currently serves, and update its tracking matrix to include the dates when such efforts were initiated or the date of the most recent status of those efforts.	Pending	Department of Veterans Affairs

	RECOMMENDATION	STATUS OF RECOMMENDATION	ENTITY
8.	To better utilize unused space at the veterans homes, and to serve more veterans within legal restrictions, CalVet should identify measures to facilitate monitoring the success of its public-private partnership agreement with the Pathway Home at the Yountville veterans home, as well as its agreements with New Directions and Salvation Army Haven at the West Los Angeles veterans home.	Pending	Department of Veterans Affairs
9.	To better utilize unused space at the veterans homes, and to serve more veterans within legal restrictions, CalVet should, as part of its 2013 renegotiations with Pathway Home, document its review and evaluation of any legal restrictions that may limit this agreement.	Partially Implemented	Department of Veterans Affairs
10.	To better utilize unused space at the veterans homes, and to serve more veterans within legal restrictions, CalVet should, for any future public-private partnership agreements, specify measures in the agreements that will allow it to monitor and assess the success of the agreements, and it should document its review and evaluation of any legal restrictions that may limit its authority to enter into the agreements.	Partially Implemented	Department of Veterans Affairs
11.	To ensure it is maximizing its ability to serve veterans in the State's veterans homes, CalVet should follow through with its plan to assess the bed capacity of the homes for veterans' needs after the homes in Fresno and Redding are licensed, to determine the most appropriate number of beds for the different levels of care offered at each home.	Pending	Department of Veterans Affairs
12.	To better reach a larger number of veterans who might not otherwise learn about and take advantage of benefits and services to which they are entitled, CalVet should continue to use technology, including implementing CalVet Connect.	Pending	Department of Veterans Affairs
13.	To ensure that it is providing the highest quality of services to veterans, CalVet should implement oversight and guidance policies to ensure that its veterans homes are providing adequate and appropriate referral options to veterans who have been placed on the waiting list or denied admission into a home.	Pending	Department of Veterans Affairs
14.	To ensure that it is providing the highest quality of services to veterans, CalVet should improve its tracking system policy by developing oversight controls so that the system is used consistently by all of the veterans homes.	Pending	Department of Veterans Affairs
15.	To allow for public input and to prevent any legal challenges that its policy of capping members' fees, its $165 monthly income-retention policy for members, and its age and admission policy are unenforceable underground regulations, CalVet should adopt these policies as regulations in accordance with the Administrative Procedure Act.	Pending	Department of Veterans Affairs
16.	To more effectively and efficiently meet state purchasing and procurement requirements, CalVet should analyze its current purchasing model to ensure that it is the most efficient and cost-effective to use when purchasing non-IT goods and services for the veterans homes.	No Action Taken	Department of Veterans Affairs
17.	To more effectively and efficiently meet state purchasing and procurement requirements, CalVet should continue implementing quality assurance policies to strengthen its oversight of its purchasing practices, including conducting on-site reviews of the purchasing practices of the veterans homes.	Pending	Department of Veterans Affairs

Report Number 2012-112

Office of the Secretary of State: It Must Do More to Ensure Funds Provided Under the Federal Help America Vote Act Are Spent Effectively **(August 2013)**

	RECOMMENDATION	STATUS OF RECOMMENDATION	ENTITY
1.	To ensure that the public, county registrars, and potential voting system developers understand how the secretary of state will make voting system approval decisions, the Office should make it a priority to develop regulations describing voting system standards in accordance with state law. It should begin the formal rule-making process by January 2014.	Pending	Office of the Secretary of State
2.	To comply with federal requirements for record retention, the Office should revise its record retention policy for long-term federal awards such as HAVA.	Pending	Office of the Secretary of State

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RECOMMENDATION	STATUS OF RECOMMENDATION	ENTITY
3. To ensure that the State has maximum flexibility in how it spends the remaining HAVA funds, the Office should do the following: • Formally renegotiate its agreement with Justice by discussing the need to pursue VoteCal and obtaining clarity as to what aspect of the current CalVoter system, if any, does not meet HAVA's requirements. • Report, by December 2013, the results of these discussions with Justice to the Legislature. If the Office continues to believe it is compliant with Title III requirements, it should take the necessary steps to maximize the Legislature's flexibility to decide how best to appropriate remaining HAVA funds.	Pending	Office of the Secretary of State
4. To enhance the value of the HAVA spending plan as a transparency and accountability tool for the Legislature, the Office should make the following modifications to its annual HAVA spending plan: • Clearly state the methodology used to report prior HAVA expenditures in the HAVA spending plan. Such a methodology should use the financial information contained in its accounting system. • Reconcile the prior HAVA expenditures with the year-end financial reports the Office provides to the California State Controller's Office. • Present prior HAVA expenditures by activity and by specific appropriation.	Pending	Office of the Secretary of State
5. To ensure the State complies with the NVRA, the Office should take all necessary steps, including seeking any necessary legislative changes, and work with the DMV to modify the driver's license application so that it may simultaneously serve as a form for voter registration.	Pending	Office of the Secretary of State

Report Number 2013-107

Accounts Outside the State's Centralized Treasury System: Processes Exist to Safeguard Money, but Controls for These Accounts Need Strengthening **(October 2013)**

RECOMMENDATION	STATUS OF RECOMMENDATION	ENTITY
1. Within the next 60 days, the state controller should implement the policies and procedures it developed to ensure the receipt of outside account reports in each reporting period and to enhance monitoring efforts.	Fully Implemented	Controller's Office, State
2. Within the next six months, the state controller should develop policies and procedures to maintain a list of all outside accounts and reconcile its list annually with the state treasurer's list.	Fully Implemented	Controller's Office, State
3. Within the next 60 days, the state treasurer should implement the policies and procedures it developed to ensure the receipt of outside account reports in each reporting period and to enhance monitoring efforts.	Fully Implemented	State Treasurer's Office
4. Within the next six months, the state treasurer should develop policies and procedures to maintain a list of all outside accounts and reconcile its list annually with the state controller's list.	Fully Implemented	State Treasurer's Office
5. Within the next 60 days, the Department of Finance should implement the policies and procedures it developed to ensure the receipt of outside account reports in each reporting period and to enhance monitoring efforts.	Fully Implemented	Department of Finance
6. To ensure that all outside accounts have proper authority, over the next six months, Finance should continue to pursue and resolve the 35 identified unresolved cases in which adequate authority could not be confirmed.	Partially Implemented	Department of Finance

Report Number I2011-0837

California Department of Veterans Affairs: Wastefulness, Failure to Comply With State Contracting Requirements, and Inexcusable Neglect of Duty **(October 2013)**

RECOMMENDATION	STATUS OF RECOMMENDATION	ENTITY
1. For all contracts that involve recreation fund moneys or involve recreation fund enterprises, as a best practice, institute policies that require the contracts be awarded and administered in a manner consistent with the policies and procedures set forth in the *State Administrative Manual* and the *State Contracting Manual*.	No Action Taken	Department of Veterans Affairs

	RECOMMENDATION	STATUS OF RECOMMENDATION	ENTITY
2.	For all contracts that involve recreation fund moneys or involve recreation fund enterprises, institute policies that require the contracts to be approved by a Veterans Affairs attorney prior to being executed.	No Action Taken	Department of Veterans Affairs
3.	For all contracts that involve recreation fund moneys or involve recreation fund enterprises, institute policies that require the contracts to be reviewed and approved by the secretary of Veterans Affairs, or upon delegation of the authority to do so, by a deputy secretary, prior to the contracts being executed.	Pending	Department of Veterans Affairs
4.	Institute a policy that requires all payments of recreation fund moneys to a person or business in the amount of $5,000 or more during a fiscal year and any contract involving recreation fund enterprises be presented to the recreation fund advisory board (now known as the Morale, Welfare, and Recreation Committee) at a public meeting for an advisory vote prior to the payment being made.	No Action Taken	Department of Veterans Affairs
5.	Institute a policy that requires any expenditure of recreation fund moneys to a person or business in the amount of $5,000 or more during a fiscal year be listed as a separate line item in the budget of the recreation fund as presented to the secretary for approval.	Pending	Department of Veterans Affairs
6.	Work with the Governor's Office to take appropriate disciplinary action against the administrator.	Partially Implemented	Department of Veterans Affairs

Senate Budget Subcommittee 5: Corrections, Public Safety and the Judiciary

Report Number 2011-111

Federal Workforce Investment Act: More Effective State Planning and Oversight Is Necessary to Better Help California's Job Seekers Find Employment **(March 2012)**

	RECOMMENDATION	STATUS OF RECOMMENDATION	ENTITY
1.	To make certain that the state board meets the Workforce Investment Act (WIA) requirement that a majority of the members are representatives of California businesses, the labor agency should continue working with the Governor's Office to identify and appoint a sufficient number of business representatives to the state board as soon as possible.	Fully Implemented	Labor and Workforce Development Agency
2.	To assist the governor in the development, oversight, and continuous improvement of California's workforce investment system, the state board should collaborate with state and local workforce investment partners to promptly develop and implement a strategic workforce plan as state law requires. The strategic plan should include, at a minimum, the following elements: clear roles and responsibilities pertaining to the state board, EDD, and other state and local workforce partners; clear definitions for terminology used in the strategic plan, such as quality services; performance measures that are specific to California for evaluating the efficiency and effectiveness of WIA-funded programs and activities; and procedures for approving the addition of data elements to EDD's Web-based system and for the exchange of data between EDD and the state board to facilitate the development and implementation of performance measures that are specific to California.	Not Fully Implemented†	California Workforce Investment Board
3.	To assist the governor in the development, oversight, and continuous improvement of California's workforce investment system, the state board should continue to exercise its legal authority to review the local boards' plans to, among other things, assure the coordination and nonduplication of services to program participants.	Not Fully Implemented†	California Workforce Investment Board
4.	To assist the state board and other workforce investment partners in the development and implementation of state-specific performance measures, EDD should ensure that it works with the state board to develop procedures for approving the addition of data elements to its Web-based system and for the exchange of data between EDD and the state board.	Not Fully Implemented†	Employment Development Department
5.	To comply with WIA requirements and eliminate the State's risk of losing funds, EDD should ensure that it awards rapid-response funding for additional assistance only to local boards or community-based organizations that demonstrate that their local areas experience natural disasters, mass layoffs, plant closings, or other dislocation events when such events substantially increase the number of unemployed individuals.	Fully Implemented	Employment Development Department

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	RECOMMENDATION	STATUS OF RECOMMENDATION	ENTITY
6.	To ensure that the State maximizes federal funding opportunities related to workforce investment, EDD should update its written policy to include, at a minimum, the following procedures: the methods it will use to identify federal grant opportunities, the factors it will consider in its decision to pursue or forego applying for these grants, and the process by which it will document its final decision to either pursue or forego the grant opportunity.	Fully Implemented	Employment Development Department
7.	To ensure that the State maximizes federal funding opportunities related to workforce investment, EDD should implement the updated policy as soon as practicable.	Fully Implemented	Employment Development Department

Report Number 2011-121

Probationers' Domestic Violence Payments: Improved Processes for Managing and Distributing These Payments Could Increase Support for Local Shelters **(September 2012)**

	RECOMMENDATION	STATUS OF RECOMMENDATION	ENTITY
1.	San Diego Court should ensure that procedures are in place so that courts do not reduce or waive domestic violence payments for reasons other than a probationer's inability to pay.	Fully Implemented	Superior Court of California, County of San Diego
2.	To ensure that it is accurately setting up accounts and to ensure that probationers are not paying more fines and fees than are applicable, San Diego Court should include on the orders issued at sentencing the breakdown of all fines and fees owed.	Fully Implemented	Superior Court of California, County of San Diego
3.	To ensure that it is accurately setting up accounts and to ensure that probationers are not paying more fines and fees than are applicable, San Diego Court should use the guidelines in place at the time of sentencing for those convicted of domestic violence crimes when it establishes accounts for payments.	Fully Implemented	Superior Court of California, County of San Diego
4.	Santa Clara County should implement a process to distribute funds regularly to domestic violence shelters.	Fully Implemented	Santa Clara County
5.	Sacramento County should finalize work with the State Controller's Office on correcting the county's overpayment of domestic violence funds to the State.	Fully Implemented	Sacramento County
6.	Sacramento County should implement the process developed for reviewing statutes that affect domestic violence payment collection and distribution practices in order to prevent overpayment of domestic violence funds in the future.	Fully Implemented	Sacramento County
7.	Los Angeles County, San Diego County, San Diego Court, and Santa Clara County should determine the magnitude of the misdirected domestic violence funds.	Fully Implemented	Los Angeles County
8.	Los Angeles County, San Diego County, San Diego Court, and Santa Clara County should determine the magnitude of the misdirected domestic violence funds.	Fully Implemented	San Diego County
9.	Los Angeles County, San Diego County, San Diego Court, and Santa Clara County should determine the magnitude of the misdirected domestic violence funds.	Fully Implemented	Superior Court of California, County of San Diego
10.	Los Angeles County, San Diego County, San Diego Court, and Santa Clara County should determine the magnitude of the misdirected domestic violence funds.	Fully Implemented	Santa Clara County
11.	Los Angeles County, San Diego County, San Diego Court, and Santa Clara County should consult with the State Controller's Office to determine what action should be taken to correct the domestic violence funds that were misdirected in prior fiscal years.	Fully Implemented	Los Angeles County
12.	Los Angeles County, San Diego County, San Diego Court, and Santa Clara County should consult with the State Controller's Office to determine what action should be taken to correct the domestic violence funds that were misdirected in prior fiscal years.	Fully Implemented	San Diego County
13.	Los Angeles County, San Diego County, San Diego Court, and Santa Clara County should consult with the State Controller's Office to determine what action should be taken to correct the domestic violence funds that were misdirected in prior fiscal years.	Fully Implemented	Superior Court of California, County of San Diego
14.	Los Angeles County, San Diego County, San Diego Court, and Santa Clara County should consult with the State Controller's Office to determine what action should be taken to correct the domestic violence funds that were misdirected in prior fiscal years.	Fully Implemented	Santa Clara County

	RECOMMENDATION	STATUS OF RECOMMENDATION	ENTITY
15.	Los Angeles County, San Diego County, San Diego Court, and Santa Clara County should improve protocols for reviewing statutes that affect collection and distribution practices so that future changes can be acted upon.	Fully Implemented	Los Angeles County
16.	Los Angeles County, San Diego County, San Diego Court, and Santa Clara County should improve protocols for reviewing statutes that affect collection and distribution practices so that future changes can be acted upon.	Not Fully Implemented†	San Diego County
17.	Los Angeles County, San Diego County, San Diego Court, and Santa Clara County should improve protocols for reviewing statutes that affect collection and distribution practices so that future changes can be acted upon.	Fully Implemented	Superior Court of California, County of San Diego
18.	Los Angeles County, San Diego County, San Diego Court, and Santa Clara County should improve protocols for reviewing statutes that affect collection and distribution practices so that future changes can be acted upon.	Fully Implemented	Santa Clara County
19.	Los Angeles Court should finalize the correction of the court's misdirected domestic violence funds.	Fully Implemented	Superior Court of California, County of Los Angeles
20.	Los Angeles Court should improve protocols for reviewing statutes that affect collection and distribution practices so that future changes can be acted upon.	Fully Implemented	Superior Court of California, County of Los Angeles
21.	Sacramento County should increase its contracted spending for shelter services so that it reduces the balance of its special fund down to a level that is reasonable considering the needs of the fund.	Fully Implemented	Sacramento County
22.	To ensure that they are maximizing the impact of domestic violence funds, Sacramento, San Diego, and Santa Clara counties should periodically monitor their special funds.	Fully Implemented	Sacramento County
23.	To ensure that they are maximizing the impact of domestic violence funds, Sacramento, San Diego, and Santa Clara counties should periodically monitor their special funds.	Fully Implemented	San Diego County
24.	To ensure that they are maximizing the impact of domestic violence funds, Sacramento, San Diego, and Santa Clara counties should periodically monitor their special funds.	Fully Implemented	Santa Clara County

Report Number 2011-129

Juvenile Justice Realignment: Limited Information Prevents a Meaningful Assessment of Realignment's Effectiveness **(September 2012)**

	RECOMMENDATION	STATUS OF RECOMMENDATION	ENTITY
1.	To improve the usefulness of its reports so that they can be used to assess the outcomes of realignment, the board should work with counties and relevant stakeholders, such as the committee that established performance outcome measures for the block grant, to determine the data that counties should report. To minimize the potential for creating a state mandate, the board should take into consideration the information that counties already collect to satisfy requirements for other grants.	Not Fully Implemented†	Board of State and Community Corrections
2.	To improve the usefulness of its reports so that they can be used to assess the outcomes of realignment, if the Legislature chooses not to change the law as suggested, or if the counties are unable to report countywide statistics, the board should discontinue comparing outcomes for juveniles who receive block grant services to those who do not in its reports.	Will Not Implement	Board of State and Community Corrections
3.	To maximize the usefulness of the information it makes available to stakeholders and to increase accountability, the board should create policies and procedures that include clear, comprehensive guidance to counties about all aspects of performance outcome and expenditure reporting. At a minimum, such guidance should include specifying how counties should define when a juvenile has received a service and whether certain services, such as training, should qualify as serving juveniles.	Not Fully Implemented†	Board of State and Community Corrections
4.	To maximize the usefulness of the information it makes available to stakeholders and to increase accountability, the board should publish performance outcome and expenditure data for each county on its Web site and in its annual reports.	Not Fully Implemented†	Board of State and Community Corrections

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	RECOMMENDATION	STATUS OF RECOMMENDATION	ENTITY
5.	To maximize the usefulness of the information it makes available to stakeholders and to increase accountability, the board should consider verifying the counties' data by conducting regular site visits on a rotating basis or by employing other procedures to verify data that counties submit.	Not Fully Implemented†	Board of State and Community Corrections
6.	To increase the amount of juvenile justice data the counties make available to the public, the board should work with counties on how best to report these data.	Not Fully Implemented†	Board of State and Community Corrections
7.	To ensure the accuracy and completeness of the data the counties submit into the Juvenile Court and Probation Statistical System (JCPSS), Justice should follow its procedure to send annual summaries of the JCPSS data to the counties for review and to conduct occasional field audits of the counties' records.	Not Fully Implemented†	Department of Justice
8.	To ensure that its Automated Criminal History System (criminal history system) contains complete and accurate data related to juvenile offenders, Justice should implement a process to ensure that staff enter data correctly into the system.	Fully Implemented	Department of Justice
9.	To ensure that its criminal history system contains complete and accurate data related to juvenile offenders, Justice should implement a procedure similar to the one it employs for the JCPSS to verify the accuracy of information the counties submit.	Not Fully Implemented†	Department of Justice
10.	To increase the amount of information related to realignment and to allow stakeholders to identify the population of juvenile offenders sent directly to adult prison, Corrections should obtain complete offense dates from the courts, if possible.	Fully Implemented	Department of Corrections and Rehabilitation
11.	To assist the Legislature in its effort to revise state law to specify the intended goals of juvenile justice realignment, the board should work with stakeholders to propose performance outcome goals to use to measure the success of realignment.	Not Fully Implemented†	Board of State and Community Corrections
12.	To ensure that counties do not maintain excessive balances of unexpended block grant funds, the board should develop procedures to monitor counties' unspent funds and follow up with them if the balances become unreasonable.	Not Fully Implemented†	Board of State and Community Corrections

Report Number I2012-1

Investigations of Improper Activities by State Agencies and Employees: Bribery, Conspiracy to Commit Mail Fraud, Improper Overtime Payments, Improper Use of Lease Proceeds, Improper Travel Expenses, and Other Violations of State Law **(December 2012)**

	RECOMMENDATION	STATUS OF RECOMMENDATION	ENTITY
1.	Correctional Health Services should provide training to the manager and supervisors involved in the claim authorization process regarding the state rules applicable to claiming travel expenses.	Partially Implemented	California Correctional Health Care Services
2.	Correctional Health Services should discontinue reimbursing employees for expenses claimed in violation of state regulations.	Partially Implemented	California Correctional Health Care Services
3.	Corrections should provide training to its accounting staff regarding state regulations and the applicable collective bargaining agreements that relate to travel reimbursements.	Fully Implemented	Department of Corrections and Rehabilitation
4.	Corrections should develop procedures to ensure that it provides accurate, clear responses when employees seek clarification of state travel rules.	Fully Implemented	Department of Corrections and Rehabilitation
5.	Corrections should collect all of the improper payments the State made to the nurse and seek corrective action for the time the nurse falsely claimed to work.	Fully Implemented	Department of Corrections and Rehabilitation
6.	Corrections should provide training to the supervisor related to timekeeping requirements and the proper procedures for taking disciplinary actions.	Fully Implemented	Department of Corrections and Rehabilitation
7.	Corrections and Correctional Health Services should seek corrective action for the supervisor's failure to monitor and discipline the nurse adequately.	Fully Implemented	Department of Corrections and Rehabilitation

	RECOMMENDATION	STATUS OF RECOMMENDATION	ENTITY
8.	Corrections and Correctional Health Services should seek corrective action for the supervisor's failure to monitor and discipline the nurse adequately.	Fully Implemented	California Correctional Health Care Services
9.	Corrections should provide training to the facility's personnel office staff related to the application of the terms of the collective bargaining agreements for medical staff, the processing of docked pay, and the processing of on-call hours.	Fully Implemented	Department of Corrections and Rehabilitation
10.	Corrections should implement additional controls within the facility's personnel office to ensure that supervisors regularly monitor and review their staff's processing of time sheets.	Fully Implemented	Department of Corrections and Rehabilitation
20.	To minimize the potential for unauthorized changes to employers' wage information, EDD should strengthen its controls surrounding employees' access and authorization to change data for companies reporting employment information used in EDD's unemployment system.	Fully Implemented	Employment Development Department

Report Number 2012-301

Judicial Branch Procurement: Six Superior Courts Generally Complied With the Judicial Branch Contracting Law, but They Could Improve Some Policies and Practices **(March 2013)**

	RECOMMENDATION	STATUS OF RECOMMENDATION	ENTITY
1.	To comply with state requirements, the Judicial Council should include policies in the judicial contracting manual regarding the State's small business preference for information technology procurements.	Pending	Administrative Office of the Courts
2.	To ensure complete reports to the Legislature, the AOC should review and modify its methodology for excluding certain transactions from the semiannual report to ensure that the AOC is not inadvertently excluding legitimate procurements. Further, the AOC's methodology should ensure that all procurements or contracts—such as those related to court security, court reporters, and interpreters when such services result in payment by a judicial branch entity to a vendor or contractor—are included in the semiannual report unless specifically excluded by state law.	Pending	Administrative Office of the Courts
3.	To ensure accurate reports to the Legislature, the AOC should ensure that its process for extracting data from the courts' common accounting system provides accurate information—including, but not limited to, data describing the item or service procured and data reflecting the amount courts actually paid to vendors—for use in the semiannual report.	Fully Implemented	Administrative Office of the Courts
4.	To ensure that transactions reflect the State's priorities regarding businesses owned by disabled veterans, and to comply with requirements in the judicial contracting manual, the courts we reviewed should develop formal policies to implement the DVBE program.	Fully Implemented	Superior Court of California, County of Napa
5.	To ensure that transactions reflect the State's priorities regarding businesses owned by disabled veterans, and to comply with requirements in the judicial contracting manual, the courts we reviewed should develop formal policies to implement the DVBE program.	Pending	Superior Court of California, County of Orange
6.	To ensure that transactions reflect the State's priorities regarding businesses owned by disabled veterans, and to comply with requirements in the judicial contracting manual, the courts we reviewed should develop formal policies to implement the DVBE program.	Pending	Superior Court of California, County of Sacramento
7.	To ensure that transactions reflect the State's priorities regarding businesses owned by disabled veterans, and to comply with requirements in the judicial contracting manual, the courts we reviewed should develop formal policies to implement the DVBE program.	Pending	Superior Court of California, County of Stanislaus
8.	To ensure that transactions reflect the State's priorities regarding businesses owned by disabled veterans, and to comply with requirements in the judicial contracting manual, the courts we reviewed should develop formal policies to implement the DVBE program.	Fully Implemented	Superior Court of California, County of Sutter
9.	To ensure that transactions reflect the State's priorities regarding businesses owned by disabled veterans, and to comply with requirements in the judicial contracting manual, the courts we reviewed should develop formal policies to implement the DVBE program.	Fully Implemented	Superior Court of California, County of Yolo
10.	To ensure that court executive management is aware of and approves large purchases, the Napa court's staff should restrict approvals to established dollar levels. Further, to demonstrate adherence to its approval policies, the court should implement its new procedure to record executive committee approvals in the procurement file.	Fully Implemented	Superior Court of California, County of Napa

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	RECOMMENDATION	STATUS OF RECOMMENDATION	ENTITY
11.	The Sacramento court should ensure that managers restrict their approvals to established dollar levels so that managers with sufficient knowledge of the court's resources approve purchases.	Fully Implemented	Superior Court of California, County of Sacramento
12.	To ensure that the Sacramento court receives the best value for the goods and services it procures, the court should justify all sole-source or noncompetitively bid purchases according to its policies.	Fully Implemented	Superior Court of California, County of Sacramento
13.	To ensure that the Stanislaus court receives the best value for the goods and services it procures, the court should advertise its solicitations of goods and services when required by the judicial contracting manual.	Fully Implemented	Superior Court of California, County of Stanislaus
14.	To ensure that the Sutter court receives the best value for the goods and services it procures, the court should justify decisions to make sole-source purchases and document that justification in the procurement files.	Fully Implemented	Superior Court of California, County of Sutter
15.	To ensure it receives the best value, the Yolo court should document that it compared the offerings of multiple vendors when using leveraged procurement agreements unless the judicial contracting manual or guidance on the particular leveraged procurement agreement does not require such comparison.	Fully Implemented	Superior Court of California, County of Yolo

Report Number I2010-1045

California Department of Corrections and Rehabilitation and California Correctional Health Care Services: Both Agencies Wasted State Resources by Improperly Accounting for Leave Taken by Their Employees **(June 2013)**

	RECOMMENDATION	STATUS OF RECOMMENDATION	ENTITY
1.	Conduct an audit of the leave accounting system during the past three years to identify instances of nonmanagerial, exempt employees working an alternate schedule at an adult correctional facility being charged incorrect amounts of leave for missed days of work.	Partially Implemented	California Correctional Health Care Services
2.	Conduct an audit of the leave accounting system during the past three years to identify instances of nonmanagerial, exempt employees working an alternate schedule at an adult correctional facility being charged incorrect amounts of leave for missed days of work.	Partially Implemented	Department of Corrections and Rehabilitation
3.	Adjust current employees' leave balances in the leave accounting system to correct any improper charging of leave identified by the audit.	Partially Implemented	California Correctional Health Care Services
4.	Adjust current employees' leave balances in the leave accounting system to correct any improper charging of leave identified by the audit.	Partially Implemented	Department of Corrections and Rehabilitation
5.	In instances where the audit has determined that an employee's leave balance was mischarged but the employee subsequently departed state service, take appropriate measures to remedy any resulting incorrect compensation of the employee for unused leave upon his or her departure, including by seeking repayment of any amount overpaid to the employee.	Partially Implemented	California Correctional Health Care Services
6.	In instances where the audit has determined that an employee's leave balance was mischarged but the employee subsequently departed state service, take appropriate measures to remedy any resulting incorrect compensation of the employee for unused leave upon his or her departure, including by seeking repayment of any amount overpaid to the employee.	Partially Implemented	Department of Corrections and Rehabilitation
7.	Train all personnel staff regarding the proper amount of leave to charge those exempt employees working an alternate schedule who miss a day of work.	Partially Implemented	California Correctional Health Care Services
8.	Train all personnel staff regarding the proper amount of leave to charge those exempt employees working an alternate schedule who miss a day of work.	Partially Implemented	Department of Corrections and Rehabilitation
9.	Train all nonmanagerial, exempt employees eligible to work an alternate schedule regarding the proper completion of a time sheet to ensure the employees' leave balances are charged correctly for an absence from work.	Partially Implemented	California Correctional Health Care Services
10.	Train all nonmanagerial, exempt employees eligible to work an alternate schedule regarding the proper completion of a time sheet to ensure the employees' leave balances are charged correctly for an absence from work.	Partially Implemented	Department of Corrections and Rehabilitation

	RECOMMENDATION	STATUS OF RECOMMENDATION	ENTITY
11.	Establish a system of oversight at headquarters and at each adult correctional facility to ensure that personnel specialists are charging the correct number of leave hours for those nonmanagerial, exempt employees working an alternate work schedule.	Partially Implemented	California Correctional Health Care Services
12.	Establish a system of oversight at headquarters and at each adult correctional facility to ensure that personnel specialists are charging the correct number of leave hours for those nonmanagerial, exempt employees working an alternate work schedule.	Partially Implemented	Department of Corrections and Rehabilitation
13.	Establish a system of supervisory oversight that involves reviewing employees' time sheets and leave balances to ensure that personnel specialists are entering information into the leave accounting system correctly.	Partially Implemented	California Correctional Health Care Services
14.	Establish a system of supervisory oversight that involves reviewing employees' time sheets and leave balances to ensure that personnel specialists are entering information into the leave accounting system correctly.	Partially Implemented	Department of Corrections and Rehabilitation
15.	Establish a system for correcting mischarged leave in the leave accounting system and for reviewing errors with the responsible employee whenever mischarged leave hours are discovered.	Partially Implemented	California Correctional Health Care Services
16.	Establish a system for correcting mischarged leave in the leave accounting system and for reviewing errors with the responsible employee whenever mischarged leave hours are discovered.	Partially Implemented	Department of Corrections and Rehabilitation

Report Number 2013-030

State Bar of California: It Complies With Contracting Requirements, but It Could Improve Certain Practices to Ensure It Receives Best Value **(July 2013)**

	RECOMMENDATION	STATUS OF RECOMMENDATION	ENTITY
1.	To ensure that it seeks the best value for its contracts, the State Bar should implement its draft procedures that require its contract managers to document their efforts to determine that the costs for exempt contracts are reasonable.	Partially Implemented	State Bar of California
2.	To provide for informed decision making when contracting with consultants, the State Bar should implement its draft procedures that require its contract managers to perform and document a post-contract evaluation of consulting contracts with a value greater than $5,000.	Partially Implemented	State Bar of California

Report Number 2013-103

Armed Persons With Mental Illness: Insufficient Outreach From the Department of Justice and Poor Reporting From Superior Courts Limit the Identification of Armed Persons With Mental Illness **(October 2013)**

	RECOMMENDATION	STATUS OF RECOMMENDATION	ENTITY
1.	To ensure that it has the necessary information to identify armed prohibited persons with mental illness, Justice should coordinate with the AOC at least once a year to share information about court reporting levels and to determine the need to distribute additional information to courts about reporting requirements and the manner in which to report. In coordinating with the AOC about potential underreporting, at a minimum Justice should consider trends in the number of reports each court sends and the number of reports that it might expect to receive from a court given the court's size, location, and reporting history. Whenever Justice identifies a court that it determines may not be reporting all required information, it should request that the court forward all required case information.	Partially Implemented	Department of Justice
2.	AOC should coordinate with Justice at least once a year to obtain information about court reporting levels. Using that information, AOC should provide technical assistance to the courts that do not appear to be complying with state law's requirement to report prohibited individuals and assist the courts in taking appropriate steps to ensure compliance.	Partially Implemented	Administrative Office of the Courts

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	RECOMMENDATION	STATUS OF RECOMMENDATION	ENTITY
3.	To ensure that it is properly reporting to Justice individuals posing a danger to themselves or others, San Francisco Court should work with the district attorney and the Office of Conservatorship Services to ensure that the court is sufficiently considering whether individuals should be prohibited from possessing a firearm. Where appropriate, the court should include prohibitive language in orders relating to those cases and promptly report these individuals to Justice.	Partially Implemented	Superior Court of California, County of San Francisco
4.	To ensure that it is reporting all required individuals to Justice, Los Angeles Court should, by December 31, 2013, revise its new procedures at the Mental Health Courthouse to discuss quality control steps, such as a supervisory review and other monitoring processes, that would ensure that it is reporting all required determinations. Los Angeles Court should implement the revised procedures so that it reports all types of court determinations state law requires.	Partially Implemented	Superior Court of California, County of Los Angeles
5.	To ensure that it is reporting all court determinations that prohibit an individual from possessing a firearm, by December 31, 2013, Los Angeles Court's Criminal Justice Center should revise its court procedures regarding these determinations so that court administrative staff are notified when a finding related to mental competency occurs.	Partially Implemented	Superior Court of California, County of Los Angeles
6.	Los Angeles Court should review its compliance with state law's firearm prohibition reporting requirements at each of the other courthouse locations within its court and make the necessary adjustments to courthouse policies and practices so that it fully complies with state law by March 31, 2014.	Partially Implemented	Superior Court of California, County of Los Angeles
7.	To ensure that it reports all required prohibited persons to Justice, San Bernardino Court should implement its new procedures for both its criminal and its probate divisions at the central courthouse by December 31, 2013, so that it reports all types of court determinations state law requires.	Fully Implemented	Superior Court of California, County of San Bernardino
8.	San Bernardino Court should review its compliance with state law's firearm prohibition reporting requirements at each of the other courthouse locations within its court and make the necessary adjustments to courthouse policies and practices so that it fully complies with state law by March 31, 2014.	Fully Implemented	Superior Court of California, County of San Bernardino
9.	To ensure that it reports all required prohibited persons to Justice, Santa Clara Court's probate division should revise its court policies and practices by December 31, 2013, so that it reports all types of court determinations state law requires. Further, Santa Clara Court's criminal division at its Hall of Justice should follow its new reporting and monitoring procedures to ensure that it reports all required determinations to Justice.	Partially Implemented	Superior Court of California, County of Santa Clara
10.	Santa Clara Court should review its compliance with state law's firearm prohibition reporting requirements at each of the other courthouse locations within its court and make the necessary adjustments to courthouse policies and practices so that it fully complies with state law by March 31, 2014.	Fully Implemented	Superior Court of California, County of Santa Clara
12.	Los Angeles, San Bernardino, and Santa Clara courts should follow the requirements in state law related to how quickly to report individuals to Justice.	Partially Implemented	Superior Court of California, County of Los Angeles
13.	Los Angeles, San Bernardino, and Santa Clara courts should follow the requirements in state law related to how quickly to report individuals to Justice.	Pending	Superior Court of California, County of San Bernardino
14.	Los Angeles, San Bernardino, and Santa Clara courts should follow the requirements in state law related to how quickly to report individuals to Justice.	Fully Implemented	Superior Court of California, County of Santa Clara
15.	To ensure that it keeps an accurate and up-to-date list of all mental health facilities that are required to report individuals with mental illness, at least twice a year Justice should update its outreach list of mental health facilities by obtaining a list of facilities from Health Care Services.	Partially Implemented	Department of Justice
16.	As soon as it identifies mental health facilities that have not yet received information about reporting requirements and the online reporting system, Justice should send these facilities the related information.	Pending	Department of Justice
17.	To ensure that it continues to receive information from facilities that currently report individuals with mental illness and that should continue to report such individuals, by January 31, 2014, and at least twice a year thereafter Justice should implement a review of the number of reports it receives from individual mental health facilities. These reviews should focus on identifying any significant drops in a facility's reporting levels and include follow up with facilities that may require additional assistance in reporting.	Partially Implemented	Department of Justice

	RECOMMENDATION	STATUS OF RECOMMENDATION	ENTITY
18.	To ensure that all applicable information from State Hospitals is communicated to Justice, by March 31, 2014, Justice and State Hospitals should establish a written understanding of the method and frequency with which State Hospitals will report prohibited individuals to Justice.	Partially Implemented	Department of Justice
20.	To ensure that it makes correct determinations about whether an individual is an armed prohibited person, by January 31, 2014, Justice should implement quality control procedures over APPS unit staff determinations. These procedures should include periodic supervisory review of staff determinations to ensure that staff decisions correctly identify all armed prohibited persons.	Pending	Department of Justice
21.	To maximize Justice's ability to identify armed prohibited persons, Justice should pursue a cost-effective method of reviewing alias information in the DMV database.	Partially Implemented	Department of Justice
22.	To ensure that its implementation of reviews of armed prohibited persons is consistent with state law, Justice should seek legislative change to confirm whether its practice of reviewing firearm records only back to 1996 is appropriate.	Pending	Department of Justice
23.	To reduce the risk that it may not identify an armed prohibited person, Justice should revise its electronic matching process to use all personal identifying numbers available in its databases.	Partially Implemented	Department of Justice
24.	To ensure that timely information is available for its efforts to identify armed prohibited persons and confiscate their firearms, Justice should manage staff priorities to meet both its statutory deadline for firearms background checks and its internal deadline for initially reviewing potential prohibited persons. Justice should report annually to the Legislature about the backlog of unreviewed potential prohibited persons and what factors have prohibited it from efficiently reviewing these persons.	Pending	Department of Justice
25.	To ensure that potential armed prohibited person cases do not wait too long for their first review by the APPS unit, by December 31, 2013, Justice should revise its goal for the daily queue to a more challenging level of no more than a maximum of 400 to 600 cases. Justice should monitor its performance against this goal and manage staff priorities as needed to meet it.	Partially Implemented	Department of Justice
26.	To ensure that it can adequately demonstrate that it has made efforts to address outstanding APPS database cases, Justice should require APPS unit staff to document key efforts to resolve these cases and retain this documentation.	Partially Implemented	Department of Justice
27.	To ensure that it regularly follows up and attempts to resolve APPS database cases that remain outstanding, by December 31, 2013, Justice should establish a specific time interval for how long cases can remain pending for review before becoming a higher priority for follow-up work and how often, at a minimum, its staff should perform follow-up work on these higher priority cases. Justice should establish a written policy that addresses both of these expectations.	Pending	Department of Justice
28.	To ensure that it meets its goal of eliminating the historical backlog of reviewing firearms owners by the end of 2016, Justice should manage its staff resources to continually address the backlog, and should notify the Legislature if it believes that it will not be able to fully process this backlog by its goal date. To help guide this effort, Justice should establish benchmarks that will indicate whether it is on track to meet its goal.	Partially Implemented	Department of Justice
29.	To ensure that it processes all reports it receives about persons with mental illness, by January 31, 2014, Justice's mental health unit should develop and implement quality control procedures over staff entry of reports into the mental health database. These procedures should include periodic supervisory review to ensure that all reports are entered correctly. Additionally, Justice should conduct a supervisory review of all staff decisions to delete records from the database before their deletion.	Partially Implemented	Department of Justice
30.	To ensure that mental health determinations reported to its criminal information unit are quickly available for review, Justice should assess whether the criminal information unit can prioritize the entry of reports regarding mental health determinations without a negative effect on the entry of all other criminal information into its system.	Partially Implemented	Department of Justice
31.	To ensure that information about individuals with mental illness does not go unexamined, Justice should document its effort to offer training to mental health facilities that continue to report on paper, and it should ensure that individuals whom these facilities report on paper are promptly entered into the mental health database.	Pending	Department of Justice
32.	To ensure that it retains appropriate records related to mental health firearms prohibitions, by March 31, 2014, Justice should review its record retention schedule for documents used by the mental health unit and adjust any retention periods it determines are inappropriate. Justice should then ensure that its mental health unit follows its retention schedule.	Partially Implemented	Department of Justice

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	RECOMMENDATION	STATUS OF RECOMMENDATION	ENTITY
33.	Justice should update and maintain its system documentation for the mental health and APPS databases to ensure that it can efficiently and effectively address modifications and questions about these databases.	Pending	Department of Justice
34.	To ensure that it fully supports its decision to apply federal prohibition terms to individuals, Justice should review all applicable federal and state laws and continue to seek clarification from the ATF and any other appropriate federal agencies to determine whether California's firearms restoration process meets federal criteria and, if not, why it does not. Justice should issue a report to the Legislature, within one year, detailing the results of its review and, if applicable, communicate why California's restoration process does not meet federal criteria and the impact that it has on prohibited persons who live in California.	Partially Implemented	Department of Justice

Report Number 2013-102

Employment Development Department: It Needs to Address Data Issues to Better Evaluate and Improve the Performance of Its Employment Programs for Veterans **(October 2013)**

	RECOMMENDATION	STATUS OF RECOMMENDATION	ENTITY
1.	To improve the quality of the performance reporting it submits to Labor, the department should work with Labor to develop reasonable controls to avoid reporting overstated and inaccurate performance measures.	Pending	Employment Development Department
3.	To improve the department's performance on its negotiated goals, it should, by January 2014, ensure that all veterans employment representatives are fully trained to use the new version of CalJOBS.	Pending	Employment Development Department
4.	To improve the department's performance on its negotiated goals, it should, through its governance council, regularly assess whether its actions under the 100-day plan are improving performance on the three common measures.	Pending	Employment Development Department
5.	To identify ways to better serve veterans in California, the department should assess the success or struggles of veterans within demographic categories in finding employment, such as age, race, or educational attainment, by comparing veterans' performance to that of nonveterans in the same demographic categories and across demographic categories and use this analysis to determine whether specific populations of veterans could be better served through more targeted efforts and to identify best practices for improving employment outcomes for these specific populations. Further, the department should provide the results of this analysis annually, beginning in 2014, to stakeholders, including local workforce agencies, the state workforce board, the interagency council, the Legislature, and the public.	Pending	Employment Development Department
6.	To ensure that it is using its limited resources effectively, the department and its information division should develop and implement, by July 2014, a means to receive and analyze feedback from workforce branch staff and from local workforce agencies to determine whether they have ideas for improving the employment outcomes for veterans. Specifically, the feedback method should include a means of identifying whether the staff in the field are accomplishing the department's veteran-specific objectives and whether the tools being used—such as labor information reports and the Vocations for Vets publications—can be made more useful and effective.	Pending	Employment Development Department
7.	To better optimize its leadership role in the interagency council's employment workgroup, the department should ensure that the employment workgroup develops a timeline for completing its action items and develops a process for measuring its success in improving employment outcomes for veterans. Specifically, the department should take the lead for establishing a time frame for evaluating tools to help assess and translate military skills into finding civilian jobs and establishing a transition assistance program for veterans.	Will Not Implement	Employment Development Department
8.	To evaluate the success of the veterans assistance program going forward, the department should analyze the performance of the grant recipients across all three common measures. Further, the program manager unit and the reporting unit should work together to ensure that the data the program manager unit is using to assess program performance are the most appropriate and the best available.	Pending	Employment Development Department
9.	To assess whether it is doing enough to take advantage of federal requirements that federal contractors give preference to veterans when hiring, the department should determine why the reported number of veterans receiving employment with federal contractors is so low relative to the number of job referrals made and it should provide appropriate direction to the veterans employment representatives to better leverage the federal contractor job listing.	Pending	Employment Development Department

Report Number 2013-302/2013-303

Judicial Branch Procurement: Semiannual Reports to the Legislature Are of Limited Usefulness, Information Systems Have Weak Controls, and Certain Improvements in Procurement Practices Are Needed **(December 2013)**

	RECOMMENDATION	STATUS OF RECOMMENDATION	ENTITY
2.	To improve the usefulness of the Judicial Council's semiannual reports until a statutory requirement is enacted, the AOC should work with the Judicial Council to pursue a cost-effective method to do provide the semiannual reports in an electronic format that can be read by common database and spreadsheet software products that allow users to readily sort and filter the data, beginning with the semiannual report covering the July 1, 2013, through December 31, 2013, reporting period.	Pending*	Administrative Office of the Courts
3.	To improve the usefulness of the Judicial Council's semiannual reports until a statutory requirement is enacted, the AOC should work with the Judicial Council to pursue a cost-effective method to include new contracts and the complete history of contracts amended during the reporting period in the semiannual reports, including the date of the original contract; the original contract amount and duration; all subsequent contract amendments; and the date, amount, and duration of each such amendment. The AOC should present this information beginning with the semiannual report covering the July 1, 2014, through December 31, 2014, reporting period.	Pending*	Administrative Office of the Courts
4.	To improve the usefulness of the Judicial Council's semiannual reports until a statutory requirement is enacted, the AOC should work with the Judicial Council to pursue a cost-effective method to begin tracking additional information in its data systems for inclusion in the semiannual reports. This information should include whether a contract was competitively bid, the justification if it was not competitively bid, and whether the contract was with a Disabled Veteran Business Enterprise. For information technology contracts, the AOC should identify whether the contract was with a small business. The AOC should present this information beginning with the semiannual report covering the July 1, 2014, through December 31, 2014, reporting period.	Pending*	Administrative Office of the Courts
5.	The AOC should implement all of the best practices related to general and business process application controls as outlined in the U.S. Government Accountability Office's Federal Information System Controls Audit Manual no later than December 31, 2014, thereby strengthening and continuously monitoring the effectiveness of the controls over its information systems. In addition, the AOC should immediately begin implementing improvements to its controls over access to its information systems and place these improvements into effect by February 2014. Finally, the AOC should provide guidance and routinely follow up with the superior courts—requiring updates every six months until all identified issues are corrected—to ensure that they make the necessary improvements to their general and business process application controls.	Pending*	Administrative Office of the Courts
6.	The AOC, the Supreme Court, and the first, second, and fourth districts should implement procedures to ensure that they follow a competitive process for their procurements when required.	Pending*	Administrative Office of the Courts
7.	The AOC, the Supreme Court, and the first, second, and fourth districts should implement procedures to ensure that they follow a competitive process for their procurements when required.	Pending*	Court of Appeal, First District
8.	The AOC, the Supreme Court, and the first, second, and fourth districts should implement procedures to ensure that they follow a competitive process for their procurements when required.	Pending*	Court of Appeal, Fourth District
9.	The AOC, the Supreme Court, and the first, second, and fourth districts should implement procedures to ensure that they follow a competitive process for their procurements when required.	Pending*	Court of Appeal, Second District
10.	The AOC, the Supreme Court, and the first, second, and fourth districts should implement procedures to ensure that they follow a competitive process for their procurements when required.	Pending*	Supreme Court of California
11.	The AOC should implement procedures to ensure that agreements it considers LPAs include in their terms and conditions language that expressly allows other judicial entities to use them.	Pending*	Administrative Office of the Courts
12.	The AOC should provide additional training to its staff and the judicial entities on how to conduct procurements in compliance with the judicial contracting manual.	Pending*	Administrative Office of the Courts
13.	The AOC should revise the judicial contracting manual to require judicial entities to maintain documentation on their determinations of fair and reasonable pricing for purchases under $5,000.	Pending*	Administrative Office of the Courts

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	RECOMMENDATION	STATUS OF RECOMMENDATION	ENTITY
14.	The first, fifth, and sixth districts should develop procedures to ensure that they consistently maintain documentation of their determinations that the pricing obtained is fair and reasonable for procurements under $5,000.	Pending*	Court of Appeal, Fifth District
15.	The first, fifth, and sixth districts should develop procedures to ensure that they consistently maintain documentation of their determinations that the pricing obtained is fair and reasonable for procurements under $5,000.	Pending*	Court of Appeal, First District
16.	The first, fifth, and sixth districts should develop procedures to ensure that they consistently maintain documentation of their determinations that the pricing obtained is fair and reasonable for procurements under $5,000.	Pending*	Court of Appeal, Sixth District
17.	The AOC should revise the judicial contracting manual to require that judicial entities maintain documentation for their evaluation and selection process used for competitive procurements. The AOC should also strengthen its procedures to ensure that bid evaluations are conducted properly and calculated correctly.	Pending*	Administrative Office of the Courts
18.	The first and fifth districts should implement procedures to ensure that they consistently document their evaluation and selection process for procurements.	Pending*	Court of Appeal, Fifth District
19.	The first and fifth districts should implement procedures to ensure that they consistently document their evaluation and selection process for procurements.	Pending*	Court of Appeal, First District
20.	The AOC, HCRC, Supreme Court, and fourth and fifth districts should implement procedures to ensure that required noncompetitive procurement processes, such as preparing justifications and obtaining approval for sole-source procurements, are properly documented. Additionally, the AOC should ensure that it prepares the appropriate documentation when it amends a contract that it has competitively solicited and the amendment includes a change that was not evaluated in the original competitive process.	Pending*	Administrative Office of the Courts
21.	The AOC, HCRC, Supreme Court, and fourth and fifth districts should implement procedures to ensure that required noncompetitive procurement processes, such as preparing justifications and obtaining approval for sole-source procurements, are properly documented.	Pending*	Court of Appeal, Fifth District
22.	The AOC, HCRC, Supreme Court, and fourth and fifth districts should implement procedures to ensure that required noncompetitive procurement processes, such as preparing justifications and obtaining approval for sole-source procurements, are properly documented.	Pending*	Court of Appeal, Fourth District
23.	The AOC, HCRC, Supreme Court, and fourth and fifth districts should implement procedures to ensure that required noncompetitive procurement processes, such as preparing justifications and obtaining approval for sole-source procurements, are properly documented.	Pending*	Habeas Corpus Resource Center
24.	The AOC, HCRC, Supreme Court, and fourth and fifth districts should implement procedures to ensure that required noncompetitive procurement processes, such as preparing justifications and obtaining approval for sole-source procurements, are properly documented.	Pending*	Supreme Court of California
25.	The AOC should implement procedures to ensure that its internal controls over payments are followed and that procurements are approved before ordering and receiving goods and services.	Pending*	Administrative Office of the Courts
26.	The AOC should implement its plan to review sections of the California Public Contract Code, *State Administrative Manual*, and *State Contracting Manual* applicable to the judicial branch annually, and more often if there are significant changes, and update the judicial contracting manual as needed. Unless the judicial contracting manual removes the requirement, the AOC should also update its local manual to address construction activities for facilities other than trial courts.	Pending*	Administrative Office of the Courts

* The status of recommendations for audits issued between November and December 2013 is based on the agencies' initial response, which is included in the original audit report, available on the California State Auditor's Web site: www.auditor.ca.gov.

† Prior to 2014-406, this special report to the Assembly and Budget Subcommittees only reflected the entities' 60-day, six-month, or one-year responses. Beginning this year, we are reporting the most current response we have on file. For audits released between January and October 2012, this may include the entities' annual follow-up responses, which were previously published in our January 2014 report, R*ecommendations Not Fully Implemented After One Year: The Omnibus Audit Accountability Act of 2006*. The status comments for these annual follow-up responses only include Fully Implemented, Resolved, Not Fully Implemented, and Will Not Implement.

‡ As of January 1, 2013, the Department of Fish and Game became the Department of Fish and Wildlife.

Table 2
Monetary Values
January 1, 2006, Through December 31, 2013

REPORT NUMBER (DATE RELEASED)	ENTITY*/REPORT TITLE/ BASIS OF MONETARY VALUE	MONETARY VALUE
Total for January 1, 2006, Through December 31, 2013		**$1,508,231,000**
Total for July 1, 2013, Through December 31, 2013		**$43,354,000**
Total One-Time Benefits for July 1, 2013, Through December 31, 2013		**$711,000**
2012-118 (July 2013)	*California Public Utilities Commission: Despite Administrative Weaknesses, It Has Generally Awarded Compensation to Intervenors in Accordance With State Law*	42,000
	Cost Recovery—The California Public Utilities Commission (commission) failed to provide guidance to its accounting staff regarding interest computation methodology, which resulted in the commission overpaying an estimated $42,000 in interest payments on intervenor claims. The commission is currently in the process of collecting the overpaid interest from the intervenors.	
2012-121.2 (September 2013)	*Department of Parks and Recreation: Flaws in Its Budget Allocation Processes Hinder Its Ability to Effectively Manage the Park System*	16,000
	Wasted Funds—The Department of Parks and Recreation inappropriately paid nearly $16,400 for leave to five employees in fiscal years 2009–10 and 2010–11. These leave buyback transactions were unallowable under the employees' relevant bargaining unit agreements.	
I2011-0837 (October 2013)	*California Department of Veterans Affairs: Wastefulness, Failure to Comply With State Contracting Requirements, and Inexcusable Neglect of Duty*	653,000
	Wasted Funds—The administrator of a veterans home operated by the California Department of Veterans Affairs (Veterans Affairs) unwisely entered into two contracts on behalf of the home that wasted $653,000 in state-managed funds and did not comply with state contracting requirements. Veterans Affairs wasted approximately $424,000 during fiscal years 2009–10, 2010–11, and 2011–12 when it paid a vendor to manage the café and tavern at a veterans home when it could have arranged for another vendor to operate the café and tavern at little or no cost to the home. Veterans Affairs wasted nearly $229,000 during fiscal years 2010–11 and 2011–12 when it entered into a contract that did not comply with state contracting requirements for the construction and operation of an adventure park and therefore had to spend funds to terminate the contract.	
Annualized Carry Forward for July 1, 2013, Through December 31, 2013		**$42,643,000**
2002-009 (April 2003)	California Energy Markets	14,500,000
I2006-1 (March 2006)	Department of Fish and Wildlife (Allegation I2004-1057)	4,150,000
2007-037 (September 2007)	Department of Housing and Community Development	19,000
I2008-1 (April 2008)	Department of Corrections and Rehabilitation (Allegation I2006-0665)	25,000
I2008-1 (April 2008)	Department of Social Services (Allegation I2006-1040)	6,500
2007-122 (June 2008)	Department of Health Care Services	6,500,000
2008-103 (November 2008)	California Unemployment Insurance Appeals Board	30,500
2009-043 (November 2009)	Board of Pilot Commissioners for the Bays of San Francisco, San Pablo and Suisun	19,000
2009-030 (July 2009)	State Bar of California	142,500
2009-112 (May 2010)	Department of Health Care Services	2,350,000
2010-108 (June 2010)	Department of Public Health	1,783,000
2009-118 (August 2010)	Department of Developmental Services	7,500,000
I2011-1 (August 2011)	Department of Mental Health (Allegation I2009-0644)	19,000
2010-124 (September 2011)	Department of Corrections and Rehabilitation	522,500
2011-119 (June 2012)	Physical Therapy Board	28,000
2011-120 (August 2012)	California Department of Transportation	1,900,000
I2012-1 (December 2012)	State Athletic Commission (Allegation I2009-1341)	29,500

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REPORT NUMBER (DATE RELEASED)	ENTITY*/REPORT TITLE/ BASIS OF MONETARY VALUE	MONETARY VALUE
I2012-1 (December 2012)	California Correctional Health Care Services (Allegation I2009-0689)	$18,500
I2012-1 (December 2012)	California Natural Resources Agency (Allegation I2009-1321)	9,500
2012-117 (March 2013)	State Athletic Commission	90,500
2012-110 (April 2013)	Department of Motor Vehicles	3,000,000
Total for July 1, 2012, Through June 30, 2013		**$139,115,000**
Total One-Time Benefits for July 1, 2012, Through June 30, 2013		**$32,600,000**
2011-120 (August 2012)	*California Department of Transportation: Its Poor Management of State Route 710 Extension Project Properties Costs the State Millions of Dollars Annually, Yet State Law Limits the Potential Income From Selling the Properties*	
	Increased Revenue—The California Department of Transportation (Caltrans) charged the majority of the State Route 710 (SR 710) property tenants rents that are, on average, 43 percent below market rate. Caltrans' rental of the SR 710 properties at below-market values constitutes a gift of public funds, which is prohibited by the California Constitution unless such rentals serve a public purpose. If it charged market rates for the 345 SR 710 properties, Caltrans could potentially generate as much as $3.8 million more per year in rental income. We expect this benefit to begin in fiscal year 2013–14.	
2012-105 (November 2012)	*Departments of Public Health and Social Services: Weaknesses in the Administration of the Child Health and Safety Fund and the State Children's Trust Fund Limit Their Effectiveness*	12,000
	Cost Recovery—The Department of Public Health (Public Health) did not provide proper oversight of the research foundation's 2007 contract. In our review of the payroll information for 14 research foundation invoices paid under that contract, we found that Public Health may have been overcharged by roughly $12,000 because the research foundation did not apply the allocation percentage stated in its original contract and adjust the allocation percentage for the subsequent amendments to the salaries of two individuals who were listed in the budgets.	
2010-102 (February 2011; December 2012 Update)	*Administrative Office of the Courts: The Statewide Case Management Project Faces Significant Challenges Due to Poor Project Management*	16,000,000
	Cost Recovery—In February 2011 we issued a report regarding the Administrative Office of the Courts' (AOC) California Court Case Management System (CCMS). We found that the AOC inadequately planned the project since 2003 and has consistently failed to develop accurate cost estimates or timelines for the projects. Subsequently, the Legislature did not provide additional funds for the deployment of CCMS. The Judicial Council voted to halt deployment of CCMS in March 2012 and Deloitte Consulting agreed to repay $16 million to compensate for delays caused by numerous quality issues.	
I2012-1 (December 2012) (Allegation I2009-0634)	*Franchise Tax Board and Office of the Secretary of State: Investigations of Improper Activities by State Employees*	227,000
	Cost Recovery—A Franchise Tax Board (board) employee, an Office of the Secretary of State (secretary) employee, and a courier service owner engaged in an elaborate scheme that enabled the courier service owner to steal nearly a quarter of a million dollars from the State. The three individuals were convicted of bribery and ordered to pay a total of approximately $227,000 in restitution to the secretary and the board. The failure of these agencies to maintain adequate controls contributed to the individuals' ability to perpetrate fraud.	
I2012-1 (December 2012) (Allegation I2008-1217)	*Employment Development Department: Investigations of Improper Activities by State Employees*	93,000
	Cost Recovery—A former Employment Development Department (EDD) accounting technician and two accomplices were convicted of conspiracy to commit mail fraud for executing a scheme to redirect unemployment insurance (unemployment) benefits from the State of California to ineligible recipients. During the duration of their scheme, the two accomplices illicitly received nearly $93,000 in unemployment claims for wages to which they were not entitled using U.S. mail to deliver their benefits from August 2008 through October 2010.	

REPORT NUMBER (DATE RELEASED)	ENTITY*/REPORT TITLE/ BASIS OF MONETARY VALUE	MONETARY VALUE
I2012-1 (December 2012) (Allegation I2009-1341)	*California State Athletic Commission: Investigations of Improper Activities by State Employees*	
	Cost Recovery—The California State Athletic Commission (commission) overpaid approximately $119,000 to 18 of its athletic inspectors from January 2009 through December 2010, because it inappropriately paid them at an hourly overtime rate rather than an hourly straight-time rate for work they performed. However, only about $25,000 of that amount can be collected due to the statute of limitation for recovering overpayments.	$25,000
	Wasted Funds—Due to the statute of limitation for recovering overpayments, the commission cannot recover $94,000 of the $119,000 the commission overpaid to 18 of its athletic inspectors from January 2009 through December 2010.	94,000
	Wasted Funds—We identified $29,000 in costs incurred over a two-year period that could have been avoided if the commission had not employed as athletic inspectors persons who already were employed full-time by the State in classifications that are similar to the athletic inspector classification and thus were entitled to receive compensation at an overtime rate. If the commission carries out all of our recommendations regarding the payment and hiring of athletic inspectors, we estimate $59,350 in continuing annual savings through cost avoidance.	29,000
I2012-1 (December 2012) (Allegation I2009-1218)	*Department of Fish and Game†: Investigations of Improper Activities by State Employees*	54,000
	Wasted Funds—A supervisor with the Department of Fish and Game improperly implemented an agricultural lease agreement. He directed the lessee, in lieu of making lease payments, to purchase about $54,000 in goods and services that did not constitute improvements and repairs to the leasehold, as required by the lease requirement.	
I2012-1 (December 2012) (Allegation I2009-0689)	*California Correctional Health Care Services and Department of Corrections and Rehabilitation: Investigations of Improper Activities by State Employees*	55,000
	Wasted Funds—A manager with California Correctional Health Care Services improperly allowed Department of Corrections and Rehabilitation (Corrections) employees to use rental cars paid for by the state and receive mileage reimbursements for commuting, and Corrections improperly approved this. The manager also improperly authorized these employees to receive reimbursements for expenses they incurred near their homes and headquarters, and Corrections improperly approved the payments. As a result, the State paid 23 employees a total of $55,000 in travel benefits over 18 months that they were not entitled to receive. As a result of our identifying the improper reimbursements and Corrections implementing our recommendation to end the reimbursements, we estimate $37,000 in continued annual savings.	
I2012-1 (December 2012) (Allegation I2009-1321)	*Natural Resources Agency: Investigations of Improper Activities by State Employees*	48,000
	Wasted Funds—From January 2009 through June 2011, an executive with the Natural Resources Agency (Resources) circumvented state travel regulations by improperly reimbursing an official and an employee about $48,000 in state funds for commutes between their homes and headquarters and lodging and meal expenses incurred near Resources headquarters. If this pattern continued to occur, we estimate $19,000 in continued annual savings through cost avoidance as a result of our recommendations.	
I2012-1 (December 2012) (Allegation I2010-1151)	*California Correctional Health Care Services and Department of Corrections and Rehabilitation: Investigations of Improper Activities by State Employees*	9,000
	Cost Recovery—A supervising registered nurse at the California Training Facility in Soledad (facility) falsely claimed to have worked 183 hours of regular, overtime, and on-call hours that have resulted in overpayments and ultimately overpaid the nurse about $9,000. Staff at the facility's personnel office reported that they have begun the process to collect the overpayments identified in this report.	
I2012-1 (December 2012) (Allegation I2010-1022)	*University of California, Office of the President: Investigations of Improper Activities by State Employees*	6,000
	Wasted Funds/Cost Recovery—The University of California (university) reimbursed an official approximately $4,200 for travel expenses he incurred from July 2008 through July 2011 based on wasteful travel policies and procedures. Additionally, the university official improperly requested, and the university improperly authorized, reimbursements for travel expenses totaling nearly $1,800, and we recommended that the university seek recovery of these reimbursements.	

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REPORT NUMBER (DATE RELEASED)	ENTITY*/REPORT TITLE/ BASIS OF MONETARY VALUE	MONETARY VALUE
I2005-2 (Allegations I2004-0649, I2004-0681, I2004-0789) (December 2012 Update)	*Department of Corrections and Rehibilitation: Investigations of Improper Activities by State Employees*	$3,500,000
	Cost Recovery—Issued in September 2005, this investigation revealed that the Department of Corrections (Corrections) failed to properly account for the time that employees used when released from their regular job duties to perform union-related activities. In June 2010 Corrections notified us that it had initiated litigation against the union to recover unreimbursed costs for all Corrections employees on full-time union leave. In January 2012 Corrections reached an agreement with the union that requires the union pay the State a total of $3.5 million for all Corrections employees on full-time union leave through annual payments beginning that same month and continuing until the entire amount is paid.	
2012-117 (March 2013)	*State Athletic Commission: Its Ongoing Administrative Struggles Call Its Future Into Question*	197,000
	Wasted Funds—Over the last three calendar years for administrative spending, the State Athletic Commission (commission) spent a total of $197,400 in excess of the allowable 20 percent limit of its annual contribution. Should the commission limit administrative spending to the allowable 20 percent, it could save an annual average of $66,000.	
	Lost Revenue—The commission's revenues are generally derived from taxes, assessments, and fees collected from events it regulates. Our review of 12 sample events found that the commission failed to collect $4,600 because it inconsistently adhered to its regulations and processes.	5,000
	Lost Revenue—The commission failed to maximize the money available to fund boxers' pension benefits by not transferring funds into a higher-yield investment account, potentially resulting in a loss of $20,000 between fiscal years 2007–08 and 2010–11. This is an ongoing benefit of approximately $5,000 per year.	20,000
	Wasted Funds—In 2010 and 2011 the commission inappropriately used funds from the commission fund to pay $40,000 in pension plan administration fees, despite the Legislature intending the pension fund to cover the administration of the pension plan.	40,000
	Increased Revenue—The commission reports that it has worked with the Legislature to raise the maximum fee it charges promoters for the sale or lease of broadcasting rights from $25,000 to $35,000 per event. In fiscal years 2010–11 and 2011–12, the commission reported 22 instances where it collected a maximum broadcasting fee from promoters. Beginning with fiscal year 2013–14, we estimate that the commission will realize approximately $110,000 annually as a result of these increased maximum fees.	
I2009-0640 (March 2013)	*California Department of Transportation: Caltrans Employees Engaged in Inexcusable Neglect of Duty, Received Overpayment for Overtime, Falsified Test Data, and Misappropriated State Property*	2,000
	Cost Recovery—A supervisor with the California Department of Transportation (Caltrans) improperly removed steel beams from a Caltrans facility. After discovering this, Caltrans paid $2,000 to transport the beams back to a Caltrans facility. We recommended that Caltrans seek reimbursement for the transportation cost from the supervisor.	
	Cost Recovery—Caltrans improperly paid two technicians $6,834 and $6,954, respectively, for overtime and differential work hours that they did not work. We recommended that Caltrans seek reimbursement of these payments.	14,000
2012-110 (April 2013)	*Special Interest License Plate Funds: The State Has Foregone Certain Revenues Related to Special Interest License Plates and Some Expenditures Were Unallowable or Unsupported*	12,000,000
	Lost Revenue—The Department of Motor Vehicles' (Motor Vehicles) policy is to collect retention fees for special license plates only when the plate owner notifies the department that he or she will again use the special plate on a vehicle. Using Motor Vehicles' unaudited available data and the fees prescribed in statutes, we estimate that, because of this policy, it did not collect retention fees of $12 million during fiscal years 2010–11 and 2011–12. We estimate that by implementing our recommendation to collect retention fees for all special plates retained by plate owners, Motor Vehicles could realize up to $6 million in increased revenue annually.	

REPORT NUMBER (DATE RELEASED)	ENTITY*/REPORT TITLE/ BASIS OF MONETARY VALUE	MONETARY VALUE
I2010-1045 (June 2013)	*California Department of Corrections and Rehabilitation and California Correctional Health Care Services: Both Agencies Wasted State Resources by Improperly Accounting for Leave Taken by Their Employees*	$127,000
	Wasted Funds—The Department of Corrections and Rehabilitation wasted $126,952 worth of leave time during the period October 2010 through September 2011 by undercharging the leave balances of its employees at six correctional facilities we examined. If what we found at the six facilities is representative of all correctional facilities during the period we examined, the amount wasted could be around $400,000.	
	Wasted Funds—California Correctional Health Care Services wasted $42,589 worth of leave time during the period October 2010 through September 2011 by undercharging the leave balances of its employees at one correctional facility we examined.	43,000
Annualized Carry Forward for July 1, 2012, Through June 30, 2013		**$106,515,000**
2002-009 (April 2003)	California Energy Markets	29,000,000
2003-125 (July 2004)	Department of Corrections and Rehabilitation	20,700,000
I2005-1 (March 2005)	Department of Corrections and Rehabilitation (Allegation I2003-0834)	119,000
2004-113 (July 2005)	Department of General Services	36,000
2004-134 (July 2005)	State Athletic Commission	33,000
2004-125 (August 2005)	Department of Health Services‡	10,300,000
I2005-2 (September 2005)	Department of Corrections and Rehabilitation (Allegations I2004-0649, I2004-0681, I2004-0789)	193,000
I2006-1 (March 2006)	Department of Fish and Wildlife (Allegation I2004-1057)	8,300,000
2007-037 (September 2007)	Department of Housing and Community Development	38,000
I2008-1 (April 2008)	Department of Corrections and Rehabilitation (Allegation I2006-0665)	50,000
I2008-1 (April 2008)	Department of Social Services (Allegation I2006-1040)	13,000
2007-122 (June 2008)	Department of Health Care Services	13,000,000
2008-103 (November 2008)	California Unemployment Insurance Appeals Board	61,000
2009-043 (November 2009)	Board of Pilot Commissioners for the Bays of San Francisco, San Pablo and Suisun	38,000
2009-030 (July 2009)	State Bar of California	285,000
2009-112 (May 2010)	Department of Health Care Services	4,700,000
2010-108 (June 2010)	Department of Public Health	3,566,000
2009-118 (August 2010)	Department of Developmental Services	15,000,000
I2011-1 (August 2011)	Department of State Hospitals (Allegation I2009-0644)	38,000
2010-124 (September 2011)	Department of Corrections and Rehabilitation	1,045,000
Total for July 1, 2011, Through June 30, 2012		**$184,189,000**
Total One-Time Benefits for July 1, 2011, Through June 30, 2012		**$15,794,000**
2010-125 (August 2011)	*State Lands Commission: Because It Has Not Managed Public Lands Effectively, the State Has Lost Millions in Revenue for the General Fund*	4,160,000
	Increased Revenue—The State Lands Commission (Commission) should develop and adhere to policies and procedures that incorporate the *State Administrative Manual's* guidance, including a process for consistently tracking delinquent leases. Also, the Commission should continue to implement its newly established holdover reduction procedures and evaluate whether the procedures are having their intended effect. Additionally, the Commission should conduct rent reviews on each fifth anniversary, as specified in its lease agreements, or include provisions in its leases to allow for the use of other strategies, such as adjusting rents annually using an inflation indicator. Finally, the Commission should amend its regulations for establishing pipeline rents on state land.	

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REPORT NUMBER (DATE RELEASED)	ENTITY*/REPORT TITLE/ BASIS OF MONETARY VALUE	MONETARY VALUE
I2011-1 (August 2011) (Allegation I2009-0644)	*Department of Mental Health§: Investigations of Improper Activities by State Employees*	$38,000
	Cost Savings—A senior official with the Department of Mental Health (Mental Health) improperly was paid for activities that either were taken on behalf of a nonstate organization or did not serve a state purpose. Mental Health should evaluate the need for the senior official's position.	
I2011-1 (August 2011) (Allegation I2010-0844)	*California Energy Commission: Investigations of Improper Activities by State Employees*	7,000
	Cost Recovery—An employee and personnel specialist at the California Energy Commission (Energy Commission) falsified time and attendance records to enable the employee, at the time of her retirement, to receive a payment for unused annual leave that was higher than the amount to which she was entitled. The Energy Commission should seek to recover the amount it improperly paid the retiring employee for unused annual leave hours.	
I2011-1 (August 2011) (Allegation I2009-0601)	*Department of Fish and Game†: Investigations of Improper Activities by State Employees*	9,000
	Cost Recovery—A manager at the Department of Fish and Game (Fish and Game) improperly directed an employee to use a state vehicle for commuting between her home and work locations during a nine-month period. In addition, the employee improperly requested, and the manager improperly approved, reimbursement for lodging and meal expenses incurred by the employee near her headquarters. Fish and Game should initiate repayment from the manager for the costs--totaling $9,000—associated with the misuse of the state vehicle and seek recovery of the improper lodging and meal reimbursements that were paid to the employee.	
I2011-1 (August 2011) (Allegation I2009-1476)	*State Controller's Office: Investigations of Improper Activities by State Employees*	7,000
	Cost Recovery—An employee of the State Controller's Office failed to report an estimated 322 hours of absences over an 18-month period. The State Controller's Office should seek reimbursement from the employee for the wages she did not earn.	
2010-124 (September 2011)	*Department of Corrections and Rehabilitation: The Benefits of Its Correctional Offender Management Profiling for Alternative Sanctions Program Are Uncertain*	1,045,000
	Cost Savings—The Department of Corrections should suspend its use of the COMPAS core and reentry assessments until it has issued regulations, updated its operations manual, and has demonstrated to the Legislature that it has a plan to measure and report COMPAS's effect on reducing recidivism.	
2011-111 (March 2012)	*Federal Workforce Investment Act: More Effective State Planning and Oversight Is Necessary to Better Help California's Job Seekers Find Employment*	10,500,000
	Lost Revenue—The Employment Development Department (EDD) missed opportunities to receive up to $10.5 million from six federal grants available for workforce investment, and thus it is not availing itself of additional funds the State can use to help job seekers obtain employment. Because EDD does not have a grant review and approval process that documents its identification of grant opportunities and its final decisions related to such opportunities, we were unable to substantiate EDD's reasons for foregoing grant opportunities.	
2011-119 (June 2012)	*Physical Therapy Board of California: Although It Can Make Improvements, It Generally Processes Complaints and Monitors Conflict-of-Interest Requirements Appropriately*	28,000
	Cost Savings—One of the Physical Therapy Board of California's (physical therapy board) expert consultants has served as the in-house consultant since approximately 2003, performing cursory reviews of certain complaints before they may be referred to other expert consultants in the field. We believe that the physical therapy board may be able to save approximately $28,000 to $35,000 annually if it can hire a state physical therapy consultant at existing state rates to perform the same work as its in-house consultant.	
Annualized Carry Forward for July 1, 2011, Through June 30, 2012		**$168,395,000**
2002-101 (July 2002)	Department of Corrections and Rehabilitation	58,000,000
2002-009 (April 2003)	California Energy Markets	29,000,000
2003-125 (July 2004)	Department of Corrections and Rehabilitation	20,700,000
2003-124 (August 2004)	Department of Health Services‡	4,600,000
I2004-2 (September 2004)	Department of Health Services‡ (Allegation I2002-0853)	9,000
I2004-2 (September 2004)	California Military Department (Allegation I2002-1069)	64,000

REPORT NUMBER (DATE RELEASED)	ENTITY*/REPORT TITLE/ BASIS OF MONETARY VALUE	MONETARY VALUE
2004-105 (October 2004)	Department of Corrections and Rehabilitation	$290,000
I2005-1 (March 2005)	Department of Corrections and Rehabilitation (Allegation I2003-0834)	119,000
2004-113 (July 2005)	Department of General Services	36,000
2004-134 (July 2005)	State Athletic Commission	33,000
2004-125 (August 2005)	Department of Health Services‡	10,300,000
I2005-2 (September 2005)	Department of Corrections and Rehabilitation (Allegations I2004-0649, I2004-0681, I2004-0789)	193,000
I2006-1 (March 2006)	Department of Fish and Wildlife (Allegation I2004-1057)	8,300,000
2007-037 (September 2007)	Department of Housing and Community Development	38,000
I2008-1 (April 2008)	Department of Corrections and Rehabilitation (Allegation I2006-0665)	50,000
I2008-1 (April 2008)	Department of Social Services (Allegation I2006-1040)	13,000
2007-122 (June 2008)	Department of Health Care Services	13,000,000
2008-103 (November 2008)	California Unemployment Insurance Appeals Board	61,000
2009-043 (November 2009)	Board of Pilot Commissioners for the Bays of San Francisco, San Pablo and Suisun	38,000
2009-030 (July 2009)	State Bar of California	285,000
2009-112 (May 2010)	Department of Health Care Services	4,700,000
2010-108 (June 2010)	Department of Public Health	3,566,000
2009-118 (August 2010)	Department of Developmental Services	15,000,000
Total for July 1, 2010, Through June 30, 2011		**$390,054,000**
Total One-Time Benefits for July 1, 2010, Through June 30, 2011		**$209,059,000**
2009-114 (July 2010)	*Department of General Services: It No Longer Strategically Sources Contracts and Has Not Assessed Their Impact on Small Businesses and Disabled Veteran Business Enterprises*	Unknown
	Cost Savings and Recovery—We recommended that the Department of General Services (General Services) determine if there are further opportunities to achieve savings for consultant-recommended categories of goods and services contracts. Also, General Services should follow procedures for identifying strategic sourcing opportunities and work to obtain comprehensive and accurate data on the specific items that state agencies are purchasing. Finally, General Services should implement standard procedures to recover identified overcharges. The potential savings to the State is currently unknown, but if General Services implements our recommendation, the savings will be quantifiable in the future. The report concludes that documents indicate that as a result of its initial strategic sourcing efforts, the State accrued at least $160 million in net savings from 33 contracts through June 30, 2007.	
2003-106 (October 2003; August 2010 Update)	*State Mandates: The High Level of Questionable Costs Claimed Highlights the Need for Structural Reform of the Process*	194,000,000
	Cost Recovery—We recommended that the State Controller's Office (Controller's Office) audit Peace Officers Procedural Bill of Rights (POBOR) claims that had been paid. In 2010 the Controller's Office informed the California State Auditor that it had audited $225 million in POBOR program claims and identified $194 million (86 percent of claims reviewed) in unallowable costs had been claimed.	
2009-118 (August 2010)	*Department of Developmental Services: A More Uniform and Transparent Procurement and Rate-Setting Process Would Improve the Cost-Effectiveness of Regional Centers*	15,000,000
	Cost Recovery—We found that the Department of Developmental Services (Developmental Services) did not generally examine how regional centers established rates or selected particular vendors. Our review found that the manner in which some regional centers established payment rates and selected vendors had the appearance of favoritism or fiscal irresponsibility. Based on our review of Developmental Services' recent fiscal audits, it has recovered roughly $15 million as a direct result of our recommendations and findings. If Developmental Services continues to carry out our recommendations, we estimate $15 million in continued annual savings through a combination of cost recovery and cost avoidance.	

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REPORT NUMBER (DATE RELEASED)	ENTITY*/REPORT TITLE/ BASIS OF MONETARY VALUE	MONETARY VALUE
2010-106 (November 2010)	*Dymally-Alatorre Bilingual Services Act: State Agencies Do Not Fully Comply With the Act, and Local Governments Could Do More to Address Their Clients' Needs*	$47,000
	Cost Savings—Some state agencies are not maximizing opportunities to reduce their costs to provide bilingual services by leveraging California Multiple Award Schedules contracts for interpretation and translation services.	
I2010-2 (January 2011) (Allegation I2008-1024)	*Department of General Services: Investigations of Improper Activities by State Employees*	12,000
	Cost Recovery—A manager with the Department of General Services (General Services) improperly used state vehicles for his daily commute for nine years. General Services should seek reimbursement from the manager for costs associated with his misuse of state vehicles.	
Annualized Carry Forward for July 1, 2010, Through June 30, 2011		**$180,995,000**
2002-101 (July 2002)	Department of Corrections and Rehabilitation	58,000,000
2002-009 (April 2003)	California Energy Markets	29,000,000
2002-118 (April 2003)	Department of Health Services‡	20,000,000
2003-106 (October 2003)	State Mandates	7,600,000
2003-125 (July 2004)	Department of Corrections and Rehabilitation	20,700,000
2003-124 (August 2004)	Department of Health Services‡	4,600,000
I2004-2 (September 2004)	Department of Health Services‡ (Allegation I2002-0853)	9,000
I2004-2 (September 2004)	California Military Department (Allegation I2002-1069)	64,000
2004-105 (October 2004)	Department of Corrections and Rehabilitation	290,000
I2005-1 (March 2005)	Department of Corrections and Rehabilitation (Allegation I2003-0834)	119,000
2004-113 (July 2005)	Department of General Services	36,000
2004-134 (July 2005)	State Athletic Commission	33,000
2004-125 (August 2005)	Department of Health Services‡	10,300,000
I2005-2 (September 2005)	Department of Corrections and Rehabilitation (Allegations I2004-0649, I2004-0681, I2004-0789)	193,000
I2006-1 (March 2006)	Department of Fish and Game (Allegation I2004-1057)	8,300,000
2007-037 (September 2007)	Department of Housing and Community Development	38,000
I2008-1 (April 2008)	Department of Corrections and Rehabilitation (Allegation I2006-0665)	50,000
I2008-1 (April 2008)	Department of Social Services (Allegation I2006-1040)	13,000
2007-122 (June 2008)	Department of Health Care Services	13,000,000
2008-103 (November 2008)	California Unemployment Insurance Appeals Board	61,000
2009-043 (November 2009)	Board of Pilot Commissioners for the Bays of San Francisco, San Pablo and Suisun	38,000
2009-030 (July 2009)	State Bar of California	285,000
2009-112 (May 2010)	Department of Health Care Services	4,700,000
2010-108 (June 2010)	Department of Public Health	3,566,000
Total for July 1, 2009, Through June 30, 2010		**$195,429,000**
Total One-Time Benefits for July 1, 2009, Through June 30, 2010		**$23,023,000**
2009-112 (May 2010)	*Department of Health Care Services: It Needs to Streamline Medi-Cal Treatment Authorizations and Respond to Authorization Requests Within Legal Time Limits*	4,700,000
	Cost Avoidance—If the Department of Health Care Services performed cost-benefit analyses on treatment authorizations requests (TARs) with very low denial rates, it could ascertain which TAR's administrative costs equaled or exceeded its savings. By performing this analysis, we estimate that it could save $4.7 million annually by identifying which TARs are not cost-effective to process and remove authorization requirements for these services.	

REPORT NUMBER (DATE RELEASED)	ENTITY*/REPORT TITLE/ BASIS OF MONETARY VALUE	MONETARY VALUE
2010-108 (June 2010)	*Department of Public Health: It Reported Inaccurate Financial Information and Can Likely Increase Revenues for the State and Federal Health Facilities Citation Penalties Accounts*	$70,000
	Increased Revenue—The Department of Public Health (Public Health) inappropriately granted a 35 percent reduction to health facility penalties totaling $70,000. This error was largely because the database that Public Health uses to calculate penalty reductions was not programmed to reflect the correct dates to calculate penalties. Also, Public Health could have generated $95,000 if it had assessed interest on penalties stalled in the appeals process. It also could have increased revenue by $3.3 million during the period of fiscal year 2003–04 through March 2010 if it had updated the monetary penalties amounts based on inflation rates. Finally, Public Health could have generated $101,220 if it had included certain accounts in the Surplus Money Investment Fund as opposed to the Pooled Money Investment Account.	95,000 3,300,000 101,000
I2010-1 (June 2010) (Allegation I2008-1066)	*Department of Industrial Relations: Investigations of Improper Activities by State Employees*	70,000
	Cost Recovery—An inspector at the Department of Industrial Relations, Division of Occupational Safety and Health, misused state resources and improperly engaged in dual employment during her state work hours, for which she received $70,105 in inappropriate payments.	
I2010-1 (June 2010) (Allegation I2008-0920)	*Department of Corrections and Rehabilitation: Investigations of Improper Activities by State Employees*	111,000
	Wasted Funds—A supervisor at Heman G. Stark Correctional Facility misused the time of two psychiatric technicians by assigning them to perform the tasks of a lower-paid classification. This misuse of the employees' time resulted in a loss to the State of $110,797.	
	Cost Savings—A supervisor at Heman G. Stark Correctional Facility misused the time of two psychiatric technicians by assigning them to perform the clerical and administrative tasks. When these employees returned to their normal duties, the Department of Corrections and Rehabilitation did not hire any other employees to perform the clerical and administrative tasks, resulting in a cost savings to the State of $75,824.	76,000
I2010-1 (June 2010) (Allegation I2008-1037)	*California State University, Northridge: Investigations of Improper Activities by State Employees*	21,000
	Cost Recovery—An employee of California State University, Northridge (Northridge), improperly allowed a business owner and associates to use a university laboratory facility, equipment, and supplies without compensating Northridge. After this investigation, Northridge received payment of $20,709 from the business owner.	
2009-030 (July 2009)	*State Bar of California: It Can Do More to Manage Its Disciplinary System and Probation Processes Effectively and to Control Costs*	850,000
	Lost Revenue/Increased Revenues—The State Bar of California (State Bar) has not updated the formula it uses to bill disciplined attorneys, although the discipline costs have increased 30 percent during the last five years. We estimate that if it had updated the billing formula, it could have billed an additional $850,000 for the past three years. Additionally, if the State Bar updates the formula, we estimate that it could increase revenue in future years by approximately $285,000 annually.	
2009-101 (November 2009)	*Department of Social Services: For the CalWORKs and Food Stamp Programs, It Lacks Assessments of Cost-Effectiveness and Misses Opportunities to Improve Counties' Antifraud Efforts*	12,450,000
	Cost Recovery—Since December 2003 counties have received millions of dollars in overpayments recovered from food stamp recipients. However, the Department of Social Services (Social Services) has been delayed in taking the steps needed to claim its share of these overpayments—approximately $12.45 million. As a result of the six-year delay in addressing this issue, we estimate Social Services lost approximately $1.1 million in interest on its share of the funds.	1,100,000
I2009-0702 (November 2009)	*Department of Corrections and Rehabilitation: Its Poor Internal Controls Allowed Facilities to Overpay Employees for Inmate Supervision*	35,000
	Cost Recovery—The Department of Corrections and Rehabilitation (Corrections) made almost $35,000 in overpayments to 23 employees for inmate supervision, and we recommended that Corrections recover the overpayments from the employees.	

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REPORT NUMBER (DATE RELEASED)	ENTITY*/REPORT TITLE/ BASIS OF MONETARY VALUE	MONETARY VALUE
2009-043 (November 2009)	*Board of Pilot Commissioners for the Bays of San Francisco, San Pablo and Suisun: It Needs to Develop Procedures and Controls Over Its Operations and Finances to Ensure That It Complies With Legal Requirements*	$9,000
	Increased Revenue—The Board of Pilot Commissioners (board) did not receive all revenues for the surcharge to fund training new pilots, as required by law. By collecting these fees, we calculated that the board will collect an additional $8,640 annually based on the current surcharge of $9 per trainee.	
	Cost Savings—The board offers free parking to employees, which may constitute a misuse of state resources. By cancelling its lease for parking, the board will save the total value of the lease, $4,760 over the course of a year. Additionally, if the board ceases reimbursing pilots for business-class airfare when they fly for training, we believe that it will incur a savings in the future. We believe these future savings will be approximately $30,000 annually.	5,000 30,000
Annualized Carry Forward for July 1, 2009, Through June 30, 2010		**$172,406,000**
2002-101 (July 2002)	Department of Corrections and Rehabilitation	58,000,000
2002-009 (April 2003)	California Energy Markets	29,000,000
2002-118 (April 2003)	Department of Health Services‡	20,000,000
2003-106 (October 2003)	State Mandates	7,600,000
2003-125 (July 2004)	Department of Corrections and Rehabilitation	20,700,000
2003-124 (August 2004)	Department of Health Services‡	4,600,000
I2004-2 (September 2004)	Department of Health Services‡ (Allegation I2002-0853)	9,000
I2004-2 (September 2004)	California Military Department (Allegation I2002-1069)	64,000
2004-105 (October 2004)	Department of Corrections and Rehabilitation	290,000
I2005-1 (March 2005)	Department of Corrections and Rehabilitation (Allegation I2003-0834)	119,000
2004-113 (July 2005)	Department of General Services	36,000
2004-134 (July 2005)	State Athletic Commission	33,000
2004-125 (August 2005)	Department of Health Services‡	10,300,000
I2005-2 (September 2005)	Department of Corrections and Rehabilitation (Allegations I2004-0649, I2004-0681, I2004-0789)	193,000
I2006-1 (March 2006)	Department of Fish and Wildlife (Allegation I2004-1057)	8,300,000
2007-037 (September 2007)	Department of Housing and Community Development	38,000
I2008-1 (April 2008)	Department of Corrections and Rehabilitation (Allegation I2006-0665)	50,000
I2008-1 (April 2008)	Department of Social Services (Allegation I2006-1040)	13,000
2007-122 (June 2008)	Department of Health Care Services	13,000,000
2008-103 (November 2008)	California Unemployment Insurance Appeals Board	61,000
Total for July 1, 2008, Through June 30, 2009		**$175,426,000**
Total One-Time Benefits for July 1, 2008, Through June 30, 2009		**$1,931,000**
2007-040 (September 2008)	*Department of Public Health: Laboratory Field Services' Lack of Clinical Laboratory Oversight Places the Public at Risk*	1,020,000
	Increased Revenue—The Department of Public Health (Public Health) incorrectly adjusted the fees it charged to clinical laboratories, resulting in more than $1 million in lost revenue. Public Health should adjust fees in accordance with the budget act.	
I2008-2 (October 2008) (Allegation I2006-0826)	*Department of Corrections and Rehabilitation: Investigations of Improper Activities by State Employees*	17,000
	Cost Recovery—The Department of Corrections and Rehabilitation (Corrections) improperly paid nine office technicians a total of $16,530 for supervising inmates when the technicians did not qualify to receive the money.	

REPORT NUMBER (DATE RELEASED)	ENTITY*/REPORT TITLE/ BASIS OF MONETARY VALUE	MONETARY VALUE
I2008-2 (October 2008) (Allegation I2008-0678)	*California Environmental Protection Agency: Investigations of Improper Activities by State Employees*	$23,000
	Cost Recovery—The California Environmental Protection Agency paid an employee for 768 hours for which she was not at work and for which no leave balance was charged or used.	
I2008-2 (October 2008) (Allegation I2007-1049)	*Department of Housing and Community Development: Investigations of Improper Activities by State Employees*	35,000
	Cost Recovery—A full-time employee of the Department of Housing and Community Development simultaneously worked full-time at a nonprofit organization for a year, along with other time and attendance abuses.	
I2008-2 (October 2008) (Allegation I2007-0917)	*Department of Corrections and Rehabilitation: Investigations of Improper Activities by State Employees*	108,000
	Cost Recovery—The Department of Corrections and Rehabilitation improperly compensated two physicians for 3,025 hours of work on a time-and-a-half basis rather than on an hour-for-hour basis.	
I2008-2 (October 2008) (Allegation I2007-0771)	*State Personnel Board: Investigations of Improper Activities by State Employees*	14,000
	Wasted Funds—The State Personnel Board approved contracts with a retired annuitant and a retired employee without providing reasonable justification for the contract or the contract amount.	
2008-103 (November 2008)	*California Unemployment Insurance Appeals Board: Its Weak Policies and Practices Could Undermine Employment Opportunity and Lead to the Misuse of State Resources*	20,000
	Cost Savings—We identified parking spaces maintained by the Unemployment Insurance Appeals Board (board) for which the board had little assurance were being used for their intended and allowable purposes. In March 2009 the board eliminated 31 of its 35 parking spaces, which will save $61,000 annually. We are showing a benefit of $20,000 for the remainder of fiscal year 2008–09.	
I2009-1 (April 2009) (Allegation I2006-1125)	*Department of Fish and Game†, Office of Spill Prevention and Response: Investigations of Improper Activities by State Employees*	72,000
	Cost Recovery—A high level official formerly with the Office of Spill Prevention and Response of the Department of Fish and Game incurred $71,747 in improper travel expenses she was not entitled to receive.	
I2009-1 (April 2009) (Allegation I2007-0909)	*State Compensation Insurance Fund: Investigations of Improper Activities by State Employees*	8,000
	Cost Recovery—An employee of the State Compensation Insurance Fund (State Fund) failed to report 427 hours of absences. Consequently, State Fund did not charge the employee's leave balances for these absences, and it paid her $8,314 for hours she did not work.	
I2009-1 (April 2009) (Allegation I2007-0891)	*Department of Corrections and Rehabilitation and Department of General Services: Investigations of Improper Activities by State Employees*	580,000
	Wasted Funds—The departments of Corrections and Rehabilitation and General Services wasted $580,000 in state funds by continuing to lease 5,900 square feet of office space that was left unoccupied for more than four years.	
2009-042 (May 2009)	*Children's Hospital Program: Procedures for Awarding Grants Are Adequate, but Some Improvement Is Needed in Managing Grants and Complying With the Governor's Bond Accountability Program*	34,000
	Lost Revenue—We identified interest revenues totaling $34,000 the California Health Financing Authority (authority) did not recover from grantees on advanced funds. The authority can recover a currently unidentifiable amount of revenue if it requires grantees to place future advances of funds in interest bearing accounts. The amount of future funds that will be advanced, as opposed to disbursed for reimbursement expenditures, as well as the associated interest earnings are not predictable.	
Annualized Carry Forward for July 1, 2008, Through June 30, 2009		**$173,495,000**
2002-101 (July 2002)	Department of Corrections and Rehabilitation	58,000,000
2002-009 (April 2003)	California Energy Markets	29,000,000
2002-118 (April 2003)	Department of Health Services‡	20,000,000
2003-106 (October 2003)	State Mandates	7,600,000
2003-125 (July 2004)	Department of Corrections and Rehabilitation	20,700,000

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REPORT NUMBER (DATE RELEASED)	ENTITY*/REPORT TITLE/ BASIS OF MONETARY VALUE	MONETARY VALUE
2003-124 (August 2004)	Department of Health Services‡	$4,600,000
I2004-2 (September 2004)	Department of Health Services‡ (Allegation I2002-0853)	9,000
I2004-2 (September 2004)	California Military Department (Allegation I2002-1069)	64,000
2004-105 (October 2004)	Department of Corrections and Rehabilitation	290,000
I2005-1 (March 2005)	Department of Corrections and Rehabilitation (Allegation I2003-0834)	119,000
2004-113 (July 2005)	Department of General Services	1,186,000
2004-134 (July 2005)	State Athletic Commission	33,000
2004-125 (August 2005)	Department of Health Services‡	10,300,000
I2005-2 (September 2005)	Department of Corrections and Rehabilitation (Allegations I2004-0649, I2004-0681, I2004-0789)	193,000
I2006-1 (March 2006)	Department of Fish and Wildlife (Allegation I2004-1057)	8,300,000
2007-037 (September 2007)	Department of Housing and Community Development	38,000
I2008-1 (April 2008)	Department of Corrections and Rehabilitation (Allegation I2006-0665)	50,000
I2008-1 (April 2008)	Department of Social Services (Allegation I2006-1040)	13,000
2007-122 (June 2008)	Department of Health Care Services	13,000,000
Total for July 1, 2007, Through June 30, 2008		**$161,186,000**
Total One-Time Benefits for July 1, 2007, Through June 30, 2008		**$14,142,000**
I2007-2 (September 2007) (Allegation I2006-1099)	*Department of Mental Health§: Investigations of Improper Activities by State Employees*	19,000
	Wasted Funds—The Department of Mental Health misused state funds designated to purchase two vehicles for law enforcement purposes by improperly using the vehicles for non-law enforcement purposes, including commuting.	
2007-037 (September 2007)	*Department of Housing and Community Development: Awards of Housing Bond Funds Have Been Timely and Complied With the Law, but Monitoring of the Use of Funds Has Been Inconsistent*	38,000
	Lost Revenue—Excessive advances are provided without consideration for interest earnings the State could receive. Without corrective action, this loss could continue for the life of the program.	
I2007-2 (September 2007) (Allegation I2007-0715)	*California Highway Patrol: Investigations of Improper Activities by State Employees*	882,000
	Wasted Funds—The California Highway Patrol (CHP) spent $881,565 for 51 vans it had not used for their intended purposes. We calculated that the CHP lost $90,385 in interest because it bought the vans two years prior to when it needed them.	90,000
2007-109 (November 2007)	*DNA Identification Fund: Improvements Are Needed in Reporting Fund Revenues and Assessing and Distributing DNA Penalties, but Counties and Courts We Reviewed Have Properly Collected Penalties and Transferred Revenues to the State*	32,000
	Increased Revenue—Counties did not always assess and collect all required DNA penalties.	
I2008-1 (April 2008) (Allegation I2006-0665)	*Department of Corrections and Rehabilitation: Investigations of Improper Activities by State Employees*	50,000
	Wasted Funds—The Department of Corrections and Rehabilitation leased 29 parking spaces at a private parking facility but did not use them.	
I2008-1 (April 2008) (Allegation I2006-1040)	*Department of Social Services: Investigations of Improper Activities by State Employees*	13,000
	Cost Recovery/Cost Savings—The Department of Social Services (Social Services) improperly paid contractors for overhead costs that violated state policy. Social Services also will avoid these improper payments totaling about $13,000 annually in the future.	
I2008-1 (April 2008) (Allegation I2007-0958)	*Department of Justice: Investigations of Improper Activities by State Employees*	18,000
	Cost Recovery—The Department of Justice paid compensation to five employees that they may not have earned over a nine-month period.	

REPORT NUMBER (DATE RELEASED)	ENTITY*/REPORT TITLE/ BASIS OF MONETARY VALUE	MONETARY VALUE
2007-122 (June 2008)	*Department of Health Care Services: Although Notified of Changes in Billing Requirements, Providers of Durable Medical Equipment Frequently Overcharged Medi-Cal*	$13,000,000
	Cost Recovery—The Department of Health Care Services (department) has identified overbilling to Medi-Cal by equipment providers. We estimated the department has overpaid providers by approximately $13 million during the period from October 2006 through September 2007. This is a one-time cost recovery to the department if they collect all overpayments.	
	Cost Savings—If the department implements our recommendation to identify more feasible Medi-Cal reimbursement monitoring and enforcement, we estimate that it could continue to avoid $13 million in overpayments annually.	
Annualized Carry Forward for July 1, 2007, Through June 30, 2008		**$147,044,000**
2002-101 (July 2002)	Department of Corrections and Rehabilitation	43,500,000
2002-009 (April 2003)	California Energy Markets	29,000,000
2002-118 (April 2003)	Department of Health Services‡	20,000,000
2003-106 (October 2003)	State Mandates	7,600,000
2003-125 (July 2004)	Department of Corrections and Rehabilitation	20,700,000
2003-124 (August 2004)	Department of Health Services‡	4,600,000
I2004-2 (September 2004)	Department of Health Services‡ (Allegation I2002-0853)	9,000
I2004-2 (September 2004)	California Military Department (Allegation I2002-1069)	64,000
2004-105 (October 2004)	Department of Corrections and Rehabilitation	290,000
I2005-1 (March 2005)	Department of Corrections and Rehabilitation (Allegation I2003-0834)	119,000
2004-113 (July 2005)	Department of General Services	2,336,000
2004-134 (July 2005)	State Athletic Commission	33,000
2004-125 (August 2005)	Department of Health Services‡	10,300,000
I2005-2 (September 2005)	Department of Corrections and Rehabilitation (Allegations I2004-0649, I2004-0681, I2004-0789)	193,000
I2006-1 (March 2006)	Department of Fish and Wildlife (Allegation I2004-1057)	8,300,000
Total for July 1, 2006, Through June 30, 2007		**$154,575,000**
Total One-Time Benefits for July 1, 2006, Through June 30, 2007		**$6,111,000**
I2006-2 (September 2006) (Allegation I2006-0663)	*Department of Forestry and Fire Protection: Investigations of Improper Activities by State Employees*	18,000
	Cost Recovery—Between January 2004 and December 2005 an employee with the Department of Forestry and Fire Protection improperly claimed and received $17,904 in wages for 672 hours he did not work in violation of state law.	
2006-035 (February 2007)	*Department of Health Services‡: It Has Not Yet Fully Implemented Legislation Intended to Improve the Quality of Care in Skilled Nursing Facilities*	5,300,000
	Cost Recovery—A contractor consultant authorized long-term care Medi-Cal duplicate payments. The Department of Health Services will recoup approximately $5.3 million from facilities that received duplicate payments and an additional $780,000 for duplicate or overlapping payments made to one or more different provider entities. Since authorization for the duplicate payments occurred because of a flawed procedure, the error may have caused other duplicate payments outside those we identified.	780,000
I2007-1 (March 2007) (Allegation I2006-0945)	*California Exposition and State Fair: Investigations of Improper Activities by State Employees*	6,000
	Cost Recovery—An official within the California Exposition and State Fair (Cal Expo) sold his personal vehicle to Cal Expo. Because he was involved in the decision to make this purchase while acting in his official capacity and because he derived a personal financial benefit, this official violated the Political Reform Act of 1974 and Section 1090 of the California Government Code. Cal Expo has indicated that it has reversed the transaction regarding the vehicle, resulting in the reimbursement of $5,900 to Cal Expo and the return of the vehicle to the prior owner.	

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REPORT NUMBER (DATE RELEASED)	ENTITY*/REPORT TITLE/ BASIS OF MONETARY VALUE	MONETARY VALUE
I2007-1 (March 2007) (Allegation I2006-0731)	*Department of Health Care Services: Investigations of Improper Activities by State Employees*	$7,000
	Cost Recovery—An employee of the Department of Health Care Services violated regulations covering travel expense reimbursements and payment of commuting expenses resulting in overpayments totaling $7,453.	
Annualized Carry Forward for July 1, 2006, Through June 30, 2007		**$148,464,000**
2001-128 (April 2002)	Enterprise Licensing Agreement	8,120,000
2002-101 (July 2002)	Department of Corrections and Rehabilitation	29,000,000
2002-009 (April 2003)	California Energy Markets	29,000,000
2002-118 (April 2003)	Department of Health Services‡	20,000,000
2003-106 (October 2003)	State Mandates	7,600,000
2003-125 (July 2004)	Department of Corrections and Rehabilitation	20,700,000
2003-124 (August 2004)	Department of Health Services‡	4,600,000
I2004-2 (September 2004)	Department of Health Services‡ (Allegation I2002-0853)	9,000
I2004-2 (September 2004)	California Military Department (Allegation I2002-1069)	64,000
2004-105 (October 2004)	Department of Corrections and Rehabilitation	290,000
I2005-1 (March 2005)	Department of Corrections and Rehabilitation (Allegation I2003-0834)	119,000
2004-033 (May 2005)	Pharmaceuticals	7,800,000**
2004-113 (July 2005)	Department of General Services	2,336,000††
2004-134 (July 2005)	State Athletic Commission	33,000
2004-125 (August 2005)	Department of Health Services‡	10,300,000
I2005-2 (September 2005)	Department of Corrections and Rehabilitation (Allegations I2004-0649, I2004-0681, I2004-0789)	193,000
I2006-1 (March 2006)	Department of Fish and Wildlife (Allegation I2004-1057)	8,300,000
Total for January 1, 2006, Through June 30, 2006		**$64,903,000**
Total One-Time Benefits for January 1, 2006, Through June 30, 2006		**$8,502,000**
I2006-1 (March 2006) (Allegation I2005-0781)	*Department of Corrections and Rehabilitation: Investigations of Improper Activities by State Employees*	70,000
	Cost Recovery—The Department of Corrections and Rehabilitation failed to exercise its management controls, resulting in gifts of public funds of $70,255 in leave not charged.	
I2006-1 (March 2006) Allegations I2005-0810, I2005-0874, I2005-0929)	*Department of Forestry and Fire Protection: Investigations of Improper Activities by State Employees*	61,000
	Cost Recovery—Several employees of the Department of Forestry and Fire Protection received $61,466 in improper overtime payments.	
I2006-1 (March 2006) (Allegations I2004-0983, I2005-1013)	*Victim Compensation and Government Claims Board: Investigations of Improper Activities by State Employees*	26,000
	Cost Recovery—The Department of Corrections and Rehabilitation (Corrections) improperly awarded payments to a physician at Corrections totaling $25,950.	
I2006-1 (March 2006) (Allegation I2004-1057)	*Department of Fish and Game†: Investigations of Improper Activities by State Employees*	8,300,000
	Increased Revenue—The Department of Fish and Game allowed several state employees and volunteers to reside in state-owned homes without charging them rent, consequently providing gifts of public funds. A subsequent housing review conducted by the Department of Personnel Administration demonstrated that all 13 state departments that own employee housing may be underreporting or failing to report housing fringe benefits. As a result, the State could increase revenues as much as $8.3 million by charging fair-market rents.	

REPORT NUMBER (DATE RELEASED)	ENTITY*/REPORT TITLE/ BASIS OF MONETARY VALUE	MONETARY VALUE
2005-120 (April 2006)	*California Student Aid Commission: Changes in the Federal Family Education Loan Program, Questionable Decisions, and Inadequate Oversight Raise Doubts About the Financial Stability of the Student Loan Program*	$45,000§§
	Cost Savings/Avoidance—We recommended that the Student Aid Commission amend its operating agreement to require EDFUND to establish a travel policy that is consistent with the State's policy and that it closely monitor EDFUND expenses paid out of the Operating Fund for conferences, workshops, all-staff events, travel, and the like. By implementing policy changes as recommended, we estimate EDFUND could save a minimum of $45,000 annually.	
Annualized Carry Forward for January 1, 2006, Through June 30, 2006		**$56,401,000**
2001-128 (April 2002)	Enterprise Licensing Agreement	4,060,000
2002-101 (July 2002)	Department of Corrections and Rehabilitation	7,250,000
2002-009 (April 2003)	California Energy Markets	14,500,000
2002-118 (April 2003)	Department of Health Services‡	10,000,000
2003-106 (October 2003)	State Mandates	3,800,000
2003-125 (July 2004)	Department of Corrections and Rehabilitation	10,350,000
2003-124 (August 2004)	Department of Health Services‡	2,300,000
I2004-2 (September 2004)	Department of Health Services‡ (Allegation I2002-0853)	4,500
I2004-2 (September 2004)	Military Department (Allegation I2002-1069)	32,000
2004-105 (October 2004)	Department of Corrections and Rehabilitation	145,000
I2005-1 (March 2005)	Department of Corrections and Rehabilitation (Allegation I2003-0834)	59,500
2004-033 (May 2005)	Pharmaceuticals	3,900,000
Benefits Identified Prior to 2006, but Have Annualized Carry Forward Values		
2001-128 (April 2002)	*Enterprise Licensing Agreement: The State Failed to Exercise Due Diligence When Contracting With Oracle, Potentially Costing Taxpayers Millions of Dollars*	
	Cost Savings—The State and Oracle agreed to rescind the contract in July 2002. As a result, we estimate the State will save $8,120,000 per year for five years starting in fiscal year 2002–03.	
2002-101 (July 2002)	*California Department of Corrections‡‡: A Shortage of Correctional Officers, Along With Costly Labor Agreement Provisions, Raises Both Fiscal and Safety Concerns and Limits Management's Control*	
	Cost Savings—We estimate that the Department of Corrections and Rehabilitation (Corrections) could save $58 million if it reduces overtime costs by filling unmet correctional officer needs. This estimate includes the $42 million we identified in our November 2001 report (2001-108). Corrections stated in its six-month response to this audit that, following our recommendation to increase the number of correctional officer applicants, it has submitted a proposal to restructure its academy to allow two additional classes each year. This action could potentially allow Corrections to graduate several hundred more correctional officers each year, thereby potentially contributing to a reduction in its overtime costs. However, any savings from this action would be realized in future periods. We estimate that Corrections could realize savings of $14.5 million beginning in fiscal year 2005–06, with savings increasing each year until reaching $58 million in fiscal year 2008–09.	
2002-009 (April 2003)	*California Energy Markets: The State's Position Has Improved, Due to Efforts by the Department of Water Resources and Other Factors, but Cost Issues and Legal Challenges Continue*	
	Cost Savings—In response to an audit recommendation, the Department of Water Resources (Water Resources) renegotiated certain energy contracts. Water Resources' consultant estimates that the present value of the potential cost savings due to contract renegotiation efforts as of December 31, 2002, by Water Resources and power suppliers, when considering replacement power costs, to be $580 million. For the purpose of this analysis, we have computed the average annual cost savings by dividing the $580 million over the 20-year period the savings will be realized, which results in $29 million annually.	

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REPORT NUMBER (DATE RELEASED)	ENTITY*/REPORT TITLE/ BASIS OF MONETARY VALUE	MONETARY VALUE
2002-118 (April 2003)	*Department of Health Services‡: Its Efforts to Further Reduce Prescription Drug Costs Have Been Hindered by Its Inability to Hire More Pharmacists and Its Lack of Aggressiveness in Pursuing Available Cost-Saving Measures*	
	Cost Savings—Health Services estimated that it could save $20 million annually by placing the responsibility on the pharmacists to recover $1 copayments they collect from each Medi-Cal beneficiary filling a prescription. We estimate the State could begin to receive these savings each year beginning in fiscal year 2003–04.	
I2004-2 (September 2004) (Allegation I2002-0853)	*Department of Health Services‡: Investigations of Improper Activities by State Employees*	
	Cost Savings/Avoidance—We found that managers and employees at the Department of Health Services' (Health Services) Medical Review Branch office in Southern California regularly used state vehicles for their personal use. We estimate Health Services could save an average of $9,260 each year because its employees no longer use state vehicles for personal use.	
I2004-2 (September 2004) (Allegation I2002-1069)	*Military Department: Investigations of Improper Activities by State Employees*	
	Cost Savings/Avoidance—We found that the California Military Department (Military) improperly granted employees an increase in pay they were not entitled to receive. Because Military has returned all the overpaid employees to their regular pay levels, it should be able to save approximately $64,200 each year.	
I2005-1 (March 2005) (Allegation I2003-0834)	*Department of Corrections‡‡: Investigations of Improper Activities by State Employees*	
	Cost Recovery/Cost Savings—In violation of state regulations and employee contract provisions, the Department of Corrections (Corrections) paid 25 nurses at four institutions nearly $238,200 more than they were entitled to receive between July 1, 2001, and June 30, 2003. In addition to recovering past overpayments, Corrections can save $119,000 annually by discontinuing this practice. Although Corrections now contends that the payments to 10 of the 25 nurses were appropriate, despite repeated requests, it has not provided us the evidence supporting its contention. Thus, we have not revised our original estimate.	
2004-033 (May 2005)	*Pharmaceuticals: State Departments That Purchase Prescription Drugs Can Further Refine Their Cost Savings Strategies*	
	Cost Savings/Avoidance—In a prior audit, we had noted that opportunities existed for the Department of General Services (General Services) to increase the amount of purchases made under contract with drug companies, and we recommended in this audit that General Services continue its efforts to obtain more drug prices on contract by working with its contractor to negotiate new and renegotiate existing contracts with certain manufacturers. General Services reports that it has implemented contracts that it estimates will save the State $5.1 million annually.	
	Cost Recovery—As we recommended, the Department of Health Services identified and corrected all of the drug claims it paid using an incorrect pricing method. It expects to recoup the nearly $2.5 million in net overpayments that resulted from its error.	
2004-113 (July 2005)	*Department of General Services: Opportunities Exist Within the Office of Fleet Administration to Reduce Costs*	
	Cost Savings/Avoidance—The Department of General Services (General Services) expects that the new, more competitive contracts it awarded for January 2006 through December 2008 should save the State about $2.3 million each year. Cost savings reflect six months—January through June 2006.	
	Increased Revenue—General Services identified 49 parkers it was not previously charging. By charging these parkers, General Services will experience increased revenue totaling $36,000 per year.	
	Cost Recovery—General Services reports it has recovered or established a monthly payment plan to recover $45,000 in previously unpaid parking fees.	
2004-134 (July 2005)	*State Athletic Commission: The Current Boxers' Pension Plan Benefits Only a Few and Is Poorly Administered*	
	Increased Revenue—If the State Athletic Commission raises the ticket assessment to meet targeted pension contributions as required by law, we estimate it will collect an average of $33,300 more per year.	

REPORT NUMBER (DATE RELEASED)	ENTITY*/REPORT TITLE/ BASIS OF MONETARY VALUE	MONETARY VALUE
2004-125 (August 2005)	*Department of Health Services‡: Participation in the School-Based Medi-Cal Administrative Activities Program Has Increased, but School Districts Are Still Losing Millions Each Year in Federal Reimbursements*	
	Increased Revenue—We estimate that California school districts would have received at least $53 million more in fiscal year 2002–03 if all school districts had participated in the program and an additional $4 million more if certain participating schools had fully used the program. A lack of program awareness was among the reasons school districts cited for not participating. By stepping up outreach, we believe more schools will participate in the program and revenues will continue to increase. However, because participation continued to increase between fiscal years 2002–03 and 2004–05, the incremental increase in revenue will be less than it was in fiscal year 2002–03. Taking into account this growth in participation and using a trend line to estimate the resulting growth in revenues, we estimate that revenues will increase by about $10.3 million per year beginning in fiscal year 2005–06.	
I2005-2 (September 2005) (Allegations I2004-0649, I2004-0681, I2004-0789)	*Department of Corrections‡‡: Investigations of Improper Activities by State Employees*	
	Cost Recovery—The Department of Corrections (Corrections) failed to properly account for the time that employees used when released from their regular job duties to perform union-related activities. In addition to recovering past payments totaling $365,500, Corrections can save $192,500 annually by discontinuing this practice.	

* This table covers an eight-year span and several departments have undergone name changes. To be consistent, we use each department's current name throughout the table.

† As of January 1, 2013, the Department of Fish and Game became the Department of Fish and Wildlife.

‡ On July 7, 2007, the Department of Health Services was reorganized and became two departments—the Department of Health Care Services and the Department of Public Heath.

§ As of July 1, 2012, the California Department of Mental Health became the Department of State Hospitals.

‖ On July 1, 2012, the State Personnel Board and the Department of Personnel Administration were combined to create the California Department of Human Resources.

** Based on our follow-up work (Report 2007-501), we will discontinue claiming $7.8 million as of fiscal year 2007–08 because General Services' two new pharmaceutical contracts will expire November 2007. This monetary value was previously listed at $5.1 million. However, according to General Services, its strategic sourcing contractor assisted it in negotiating two new pharmaceutical contracts for the period of November 2005 to November 2007 that General Services believed would result in increased savings to the State. Our follow-up report indicates that the State appears to have achieved savings of $7.8 million during the first 10 months of these two new contracts. See report number 2007-501 (June 2007).

†† Based on our follow-up audit 2007-502, issued May 2007, we reduced General Services' expected $3 million of cost savings we reported in 2005 to $2.3 million of potential savings.

‡‡ On July 1, 2005, the governor reorganized all departments under the Youth and Adult Correctional Agency, including the Department of Corrections, into the California Department of Corrections and Rehabilitation.

§§ We will discontinue claiming $45,000 as of this fiscal year. Changes to state law impacted the role previously performed by the Student Aid Commission (commission). As directed by the U.S. Department of Education in November 2010, the commission transferred its federal student loan portfolio—which was serviced by EdFund—to the Educational Credit Management Corporation (ECMC).